

TAI LE COMPANY LIMITED

BUSINESS PLAN

FOR

ESTABLISHING SUPER MARKET

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1.0. INTRODUCTION

TAI LE COMPANY LIMITED is a privately owned and incorporated in Tanzania with Certificate of Incorporation No. 141463101 dated 8th April 2020 which intend to establish modern super market specializing Asia 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 Asia and African products; the company will rehabilitate the existing building and purchase new super market equipment. The company is targeting Mikocheni residents and neighboring area.

The business plan by **TAI LE COMPANY LIMITED** a locally 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. 26 Usino Street, Mikocheni, Kinondoni District, Dar es Salaam,

1.3 THE SPONSORS

TAI LE COMPANY LIMITED will be sponsoring this project. The Company is currently jointly owned by three shareholders with share capital of Tsh 1,150,000,000/=

Names of Subscribers	% Shares Taken Subscriber	Nationality	Date of Birth
Wei Qiang Huang P.O Box 1315 DAR ES SALAAM TANZANIA Email: yongtaiflourish@126.com Tel: +255759356918	65	China	8 th March 1991
Lu Li P.O Box 1315 DAR ES SALAAM TANZANIA Email: liluhk@126.com Tel: +255772079999	2	China	26 th Nov 1984
Lanjiao Lin P.O Box 1315 DAR ES SALAAM TANZANIA Email: 868874511@qq.com Tel: +8615005945939	10	China	19 th Nov 1969
Unallotted shares	23	Tanzania	

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 Asian 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 **TAI LE COMPANY LIMITED** came in to bridge the came

2.2 **SPECIAL STRENGTHS OF TAI LE COMPANY 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,

TAI LE COMPANY LIMITED will be producing various products such as:

- Various products

3.0 PROJECT MANAGEMENT AND MANPOWER REQUIREMENTS

TAI LE COMPANY 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.

TAI LE COMPANY 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

TAI LE COMPANY 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,

Appendix I

**TAI LE COMPANY 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 Intrest 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

TAI LE COMPANY 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 project 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

TAI LE COMPANY 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

TAI LE COMPANY 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: -

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	May 2020
2	Rehabilitation of premises	May-July 2020
4	Ordering various super market items	August 2020
5	Setting and arranging various items	September 2020
6	Testing operations	October 2020
7	Commercial Operations	November 2020

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