



LUMA WHALE

LUMA WHALE COMPANY LIMITED

PHYSICAL LOCATION: PLOT No. 2016 BLOCK No.B

STREET / AREA: CHOLE ROAD

CONTACT INFORMATION:

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STREET / AREA: CHOLE ROAD

COMPANY EMAIL: luma.whale.tz@gmail.com

DIRECTORS: SIDNEY MACDONALD MASUKA

SUJIN HA



LUMA WHALE Co. LTD

BUSINESS PLAN

Company Address: Plot No. 2016, Block No. B, CHOLE ROAD
Physical Address: Dar es Salaam, Tanzania
Email: luma.whale.tz@gmail.com
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SECTION 1: GENERAL COMPANY DESCRIPTION

Company Name: LUMA WHALE CO. LIMITED

The shares of the company are divided into 2500 shares of Tanzanian Shillings 100,000/ = each.

Directors of the Company (ownership) :

SIDNEY MACDONALD MASUKA: 1025 shares

SUJIN HA: 975 shares

VISION STATEMENT : "To become a pivotal part of the coffee industry; putting quality and customer care first."

MISSION STATEMENT: "To compliment each day with the finest coffee; promising to bled innovation with a strong foundation of skill, passion and experience.

LUMA WHALE CO LIMITED is a coffee company founded by SUJIN HA and SIDNEY MACDONALD MASUKA; registration number 149045368 from BRELA (Business Registration and Licensing Agency) dated 5th January 2021, TIN 149-045-368. The founders and directors of this company (SUJIN HA and SIDNEY M. MASUKA) share a love for coffee, and a vision to explore the rich flavors held within a bean. The company aspires to combine passion and expertise in order to reach our goals as one of the top coffee companies in Tanzania. Our main objectives are to provide the best roasted coffee beans for domestic and international consumption; furthermore, we also aim to establish an exporting service for both roasted beans and green beans.

It is important to understand, Tanzania is a land of coffee. Coffee production is a significant part of Tanzanian economy; producing approximately 51,777 tons of clean coffee annually (Tanzania Coffee Board, 2019, *Tanzanian Coffee Industry*, Nov.02.2020 ,coffeeboard.or.tz). Therefore making coffee one of Tanzania's largest export crop. However, the Tanzanian Coffee Board reports that local consumption of coffee has only had a 5% increase, from 2% to 7%, between the years 2003-2019 (Tanzania Coffee Board, 2019, *Tanzanian Coffee Industry*, Nov.02.2020 ,coffeeboard.or.tz) These numbers reveal that there is a huge gap present. We believe that there is an aspect of value addition that has not been explored to its full potential. There is a lack of 'coffee culture'; this topic will be further explained in 'SECTION 3: STRATEGY' of the Business Plan. This gap is where LUMA WHALE CO LIMITED wish to focus our energy and expertise, because we understand that culture is one of the strongest foundations to assure a company's growth, success and longevity.

After much deliberation, our ambitions reveal that the base of operation for our company would need to function as a coffee shop and a roasting coffee bean facility. Furthermore, we have also considered that to assure growth and profitability for our critical first years, the location would need to be in an area where there is a community appreciative of coffee product. Thus, we have acquired a property (totaling 286sqm) for a 3 year lease for: 22 CHOLE building, Chole road, Masaki Area, Dar es Salaam, United Republic of Tanzania.

LUMA WHALE CO LIMITED feels that our most important company strengths lie in our capable personnel and their experience in the coffee industry. Our Director SUJIN HA, has run a successful coffee business in South Korea 'All Time Coffee' for 3 years . In addition, we also have the upmost confidence in our Managing Director Professor SONG, HOYEOL who has also been running a successful coffee business in South Korea 'Coffee Probe' for 6 years. To list a few recent achievements: In 2019 (Australia) Professor SONG, HOYEOL took 1st Place (Gold Medal) in the 'Golden Bean AU/NZ Espresso Single Area' competition; 2nd Place (Silver Medal) in the '2019 Golden Bean AU/NZ Milk Based (Latte) Area; 3rd Place (Bronze Medal) in the '2019 Golden Bean AU/NZ Pour Over Fiter Area. Furthermore, as of 2020 the Mr. SONG, HOYEOL is a member of the reputable and globally recognized SCA (Specialty Coffee Association); In 2021 he was chosen as an executive member in South Korea. Through the combination of passion and knowledge, we at LUMA WHALE CO LIMITED believe that we can achieve our goals and more.

Lastly we look forward to the amount of job creation and opportunities our company can bring. We aim to employ ; approximately 6 people to work as waiters; 2-4 barista trainees; and a company driver. This decision was made to maximize efficiency and minimize cost. The bulk of our roasting will be performed and supervised by our Managing Director; who will also supervise the day to day functions of the cafe. In regards to opportunity, we aim to provide a barista course and a coffee cupping course. These are extremely valuable skills to have in the coffee industry. A skilled barista can operate the best espresso machines to produce high quality coffee; and a capable cupping expert can accurately grade coffee beans making them instrumental in a coffee companies quality control. These are courses that make us unique - A cupping certificate and a barista course are not something every coffee business can provide.

SECTION 2: STRATEGY & OPPORTUNITY

COFFEE CULTURE

We define coffee culture as a lifestyle. That first cup of coffee in the morning; the two you drink at work to power through the day; the one with a tad too much sugar you enjoy as the sun goes down. This is 'coffee culture', an appreciation for the cups that help you get through the day. An understanding for joys and complexities a quality grade of beans can hold, and the curiosity to try it.

When we compare 'coffee culture' between Tanzania and South Korea (Managing Director's place of origin) the discrepancies become clear. In 2018 South Korea imported approximately 152,000 tons of caffeinated and decaffeinated green coffee beans (Won So, 2020, *Coffee export volume in South Korea 2006-2018*, Statista, 04.Nov.2020, statista.com). Furthermore, 26,500 tones of roasted coffee beans and coffee products was exported (Won So, 2020, *Coffee export volume in South Korea 2006-2018*, Statista, 04.Nov.2020, statista.com). This data reveals that approximately 125,500 tons of coffee was consumed domestically in South Korea. We at LUMA WHALE CO LTD believe that this is a result of the vibrant and ever-growing 'coffee culture' the South Korean people have. The 'coffee culture' in Tanzania has not yet reached even half its potential, which is ironic given the fact that Tanzania produced approximately 51,777 tons of green coffee beans in 2019; to which only 7% was consumed domestically. There in lies the gap, the opportunity, the lacking aspect of value addition. There are a number of cafes that have undertaken this mission in Dar es Salaam, Tanzania; however, our research gives us confidence in our ability to compete in this Industry.

In conclusion, the data highlights that despite production and exportation of green coffee beans not being a significant part of South Korea's economy; they still have a great understanding of value addition in their coffee industry - a large part of this understanding being attributed to their rich 'coffee culture'. Thus, a key part of growing the 'coffee culture', we are confident, is by having high quality green coffee beans for masterful roasting and exportation. This foundation will be the back bone of our progression, and be a key factor in determining our success.

BARRIERS, COMPETITION AND OVERCUMING THEM

It is often easy ,when starting a coffee business, to be deterred by the price of machinery and or equipment. The principles of the company should be key in dictating the extent and delegation of expenses. LUMA WHALE CO LTD, is committed to a capital investment of over \$100,000 because we understand the commitment needed to follow through on our ambitions. We at LUMA WHALE CO LTD have acquired: experienced minds, a passionate team with both a local understanding and an international background helping us engage both foreign and domestic coffee markets.

Despite confidence in our roasting ability, entry into this market will require a certain level of marketing that we believe is lacking in the Dar es Salaam coffee community. Please refer to our market research profiles of the most well received cafes in Dar es Salaam. We have found that more reputable cafes have greater engagement with the customers through marketing methods and social media. Take for example Kaffee Koffee (fig no.9) located in Oyster Bay, this cafe runs a fairly small operation and their is room for improvement on the quality of their coffee products. However, they make up for these shortcomings buy having good engagement with their customers through social media. By utilizing the tool that is social media, this marketing strategy has allowed Kaffee Koffee to gain 12,000 Instagram followers (fig no.9). In comparison, Orchid Cafe (fig no. 12) is a larger cafe located in Haliselasi Road Masaki area, who's marketing strategy is not performing well on a social media platform with only 4,597 followers on Instagram. The number of followers is a good indication of customer reach; each follower is a customer or a potential customer. Furthermore, satisfied customers/followers lead to further advertisement and promotion for the business. This is why social media presence is something we intend to make full use of in our marketing strategy.

Another barrier comes in the form of density. It is no surprise that Dar es Salaam's Masaki area has a good number of coffee businesses with 61 cafes. This is because all these other businesses understand that there is a demand for coffee in Masaki area; the expat community, diplomats, tourists, corporate workers, they all display a demand for good coffee. Of these 61 cafes we have narrowed down the top 14, 10 of which are in Masaki: fig no. 1, 2, 3, 5, 6, 7, 8, 12, 13, 14. This is the competition that we have identified. Of these 10 businesses, fig no. 2, 3, 5, 6, 7, 12, 13 and 14 provide the same services we wish to - coffee bean roasting and functioning as a cafe. However, there is not a large amount of variety and selection given to the consumers when regarding the roasted coffee beans. Weather they are to be mildly roasted or dark; finely grinned or roughly. This customization is what we provide, the ability to adapt and give the customers what they need at the quality desired. Through this information we have identified that our business structure is a rather unique one. Moreover, we believe our allocation of capital will be a key feature that distinguishes us from our competition. The roasting machines, espresso machines and grinding equipment constitutes the

largest bulk of our capital investment because our Directors and Managing Director know for us to have pride in the quality of our products we must invest the right equipment.

CUSTOMERS & MARKETING

As stipulated earlier, social media is a tool we wish to fully utilize. Our market research has revealed that engagement with the customer goes beyond the cafe. We have found that the greater the social media presence a cafe has, the busier the cafe is; social media presence can increase new flows customers and help businesses maintain older ones. It is true, that the cafe is a hub, a meeting place for all coffee lovers: however, If LUMA WHALE CO LTD wish to truly foster a coffee community, to promote a 'coffee culture', then we must establish and maintain a presence on platforms such as Instagram and Facebook. The aim is not only to provide quality products for coffee lovers but to also introduce new customers to vast potential of a coffee bean.

Our opening will consist of 3 promotional weeks. Invitations for customers to attend events will be distributed through contacts - the invitation will also encourage a plus one. These events will provide a setting where we can display our cafe and products to the community. This will be a crucial point, as it will announce to the market who we are, the quality of product and the type of service we provide. Within these 3 weeks the dates chosen for the events are based on the data gathered, reflecting heavy traffic during specific days. We wish for a full atmosphere, our overall aim is to foster and grow a community from their love of coffee. Of course, the invitations will mean free coffee for the customers and their plus one - we do this to encourage customers to explore our menu. Gift baskets of our products and company information will also be distributed. If customers are unable to accept their invitations due to timely constraints, we are prepared to provide a delivery service. We hope that this kind of customer service will be attractive to our customers; our market research highlight that this is another weakness that even the top 10 cafes in Masaki suffer from - poor customer care and slow service. By focusing on these areas we can maintain customer satisfaction, thus promoting brand image. Furthermore, the promotional events, gift baskets and delivery services will also aid in brand recognition - helping make our introduction to the industry not only known but also well received.

Location was another hurdle, we overcame. We managed to secure a 3 year lease on a property in Masaki, Chole Road. There is only one cafe positioned along Chole Road, Kawa Coffee House. According to our research Kawa Coffee House is well reviewed by customers and provides a range of services that make it a good competitor. There is a distance of approximately 900m Kawa Coffee House; revealing that the number and density of competitors on Chole Road is not high. Furthermore,

the property is also surrounded by companies such as Dolson Interiors and in close proximity to large residential complexes such as Marina Towers. We chose this area because of its high traffic (number of cars moving throughout the area); in addition, the demographic in this area's appreciation of coffee gives us confidence that we can make good returns on our investments.