

BUSINESS PLAN FOR MANUFACTURE AND

SALE OF

MOTORCYCLES AND SPARE PARTS

FOR

T-STAR INDUSTRIAL COMPANY LIMITED

P.O.BOX 79575, DAR ES SALAAM

**PLOT 286, PUGU KAJIUNGENI AREA, ILALA
MUNICIPALITY, DAR ES SALAAM, TANZANIA**

Business Overview

When society develops demand for personal and commercial also rises. The means of transport must respond to increasing demand in all aspects of quantity, quality and modal diversification. Each transport means has its merits and demerits. The problem is to select and combine each transport means in a way that maximizes merits and overcome demerits, under the specific natural, economic and social conditions. We must satisfy people's travel need by providing convenient transport modes while at the same time ensuring traffic safety, clean environment and other social demands. Considering such demands lead us to the conclusion that motorcycles will continue to contribute significantly to road transportation in the country.

Executive Summary

T-STAR INDUSTRIAL COMPANY LIMITED is a registered company under the Laws of the United Republic of Tanzania with its offices located at Dar es Salaam, Tanzania to cater to domestic and international clients. We are a manufacturing company that deals in the manufacturing, assembling and sale of motorcycles and related spare parts and accessories.

Having effectively studied this market, we are confident that our laid down strategies will enable us to be able to compete favorably with other motorcycle manufacturing companies in the area and even around the world. Besides manufacturing motorcycles for sale, we intend to offer other services that will give us an edge over our competitors and attract customers to us.

Our goal is to be among the top three top brands in Tanzania as a whole. This we will do by not only offering the best services but also getting the best equipment.

T-STAR INDUSTRIAL COMPANY LIMITED intends to set the pace for how manufacturing companies should be run. This we would do by constantly upgrading our machinery and providing continuous training to ensure that our staffs get updated on new technologies and innovations.

We intend to provide excellent customer service to all our customers so as to keep having repeat businesses with them. We would ensure that we listen closely to their complaints and resolve them in a timely manner. We would also listen to suggestions and tips that would move our business forward. We would also keep in touch with our customers and ensure that we keep them informed of new services and products from our stable.

Our Products and Services

T-STAR INDUSTRIAL COMPANY LIMITED intends to not only focus on producing motorcycles but also produce other items that are closely related to motorcycles as well.

Raw Materials

The Manufacturing Process

Our Vision Statement

Our vision is to be among the top three manufacturing brand in the country.

Our Mission Statement

Our mission is to ensure that we do not lose sight of our vision. This we would do by getting the best machinery possible and ensuring we meet the needs of our existing as well as potential clients.

Our Business Structure

To have a strong structure on ground, we at T-STAR INDUSTRIAL COMPANY LIMITED intends to ensure that we start on the right footing by getting the right employees to carry out the defined tasks that will make the company grow and make profit. We intend to invest in their welfare so that they could remain focused on growing the company.

We intend to partner with our distributors in such a way that we would both benefit from the relationship. Our distributors would be carefully selected for their wide reach, and other benefits to us. We would constantly make sure we work at perfecting the relationship and listen to their complaints and suggestions on the way forward for the company.

We also plan to offer other products and services at T-STAR INDUSTRIAL COMPANY LIMITED and to this effect, we know we would need more hands to be able to ensure that the business grows and expand smoothly in achieving our business objectives. Listed below are those we believe will build T-STAR INDUSTRIAL COMPANY LIMITED;

Staff and their roles

Chief Executive Officer

- Provides a clear strategic direction for the organization and communicate these strategies to appropriate channels
- Has an experience with the budgets as well as allocate resources appropriately
- Ensures that the right professionals are hired into the management team
- Builds corporate culture that would influence employees attitude and decision

Human Resources and Admin Manager

- Ensures the development, management as well as implementation of personnel policies
- Recruits, retain and terminates staff appropriately
- Ensures that office practices are adhered to and in line with employment related laws
- Ensures that the administrative systems are constantly reviewed with an aim to being proactive instead of reactive
- Ensures that staff welfare and incentive packages are appropriately done.

Sales and Marketing Executives

- Carries out promotional activities that will project the image of the company as well as bring in revenue
- Devises marketing and sales strategy for Manages campaigns on all of the company's social media platforms
- Plans and organizes product and service exhibitions' for the company
- Monitors performance and change weak strategies

Accountants

- Ensures that tax returns are prepared and that tax requirements, preparation and reporting are complied with
- Works with management and report all the finances regarding T-STAR INDUSTRIAL COMPANY LIMITED
- Ensures that budgets are developed, and maintained periodically and also compare budgeted costs to actual costs
- Prepares and analyzes of accounting records, financial statements and reports in order to determine accuracy and conformance with accounting standards
- Carries out analysis of business operations including costs and revenues and use this to not only project future income and expenses but to proffer advice as well.

Truck Drivers

- Ensures that cargoes are loaded and unloaded at the appropriate times
- Ensures that all traffic laws are followed
- Inspects truck before and after every trip, and report any major defects found to the appropriate department
- Carries out light repairs and maintenance on trucks as at when due
- Ensures that clients get their products on time

Customer Service Executives

- Ensures that they answer calls that deal with complaints, orders, and inquiries professionally
- Processes orders and applications for clients
- Ensures that records of all customer interactions as well as transactions with the company are well kept
- Follows up on inquiries and complaints to ensure that appropriate actions had been taken by the company

Security Guard

- Protects the property of the factory
- Prevents security problems that are likely to arise during the course of carrying out security duties
- Responds to security issues that might crop up
- Enlightens employees by providing security tips

SWOT Analysis

Having a SWOT analysis is very important as this would help us know what our chances of succeeding in this market are and how well we can improve on our weakness while eliminating totally or reducing threats to the barest minimum. In carrying out a thorough SWOT analysis, we hired a reputable business consultant who has several years of experience in helping start-ups with carrying out this analysis.

The aim of the SWOT has also helped us determine if this is a business that we should pursue or not. We are glad to say our strengths and opportunities were in high percentages and that the threats posed to our business is few and our weaknesses will be worked on.

Here is what the SWOT analysis carried out by an expert on behalf of T-STAR

INDUSTRIAL COMPANY LIMITED revealed;

Strength:

Our strength lies in our up-to-date technologies and machineries deployed to produce quality products. We also have the right and dedicated professionals that will handle these machines to ensure maximum output. Another strong suit of ours lies with our excellent customer service that is dedicated to ensuring that customers' complaints are promptly taken care of without excessive delays.

We also have a Chief Executive Office who does not only believe in having the right professionals in the right positions but also has a robust and vast experience in the field that would ensure that T-STAR INDUSTRIAL COMPANY LIMITED does all the right things at the right time.

Weakness:

There are giant motorcycle manufacturing companies in the world production market is one that already has many players in the field in Tanzania. This has made it seem like we are the newest in the market. However, we intend not to allow this deter us as we have strategies in place to ensure we become a brand to be reckoned with.

Opportunities:

We have designed our products using latest technologies and further innovations can be done therefore it will result into great potential of innovations due to modular design.

Threats:

Every business is faced with threats, as we are aiming at becoming a global company; our products have to compete with the foreign companies' products therefore this is a big challenge for our company. Also changes of government policies, rules and regulations can negatively affect our company.

The Project Promoters

The project is being promoted by T-STAR INDUSTRIAL COMPANY LIMITED, a limited liability company incorporated under the laws of the Republic of Tanzania whose shareholders are as follow;

S/N	NAME OF SHAREHOLDERS	NUMBER OF SHARES	NATIONALITY
1	FENG JUNJING	700	CHINESE
2	FENG ZHIYONG	100	CHINESE

MARKET ANALYSIS

Market Trends

While the motorcycles market is regarded as a stable one, manufacturing companies have to sometimes come up with strategies that would differentiate them from their competitors. This can be in the production of high-premium quality products.

Another trend is in ensuring that we not only produce motorcycles but also other related spare parts of motorcycles as well; and also create avenues for our customers to be aware of what new products we are offering.

Lastly, we intend to use technology as a means of marketing our products, and also increasing its awareness and sales as well. Besides, technology, we also intend to use the internet in reaching out to our various existing as well potential clients.

Our Target Market

Our target market is basically everyone in Tanzania. This is why part of our expansion strategy is to have strategic locations in different states of the country.

Due to several authentic statistics and market researches, we know exactly who and where our target markets are, and what they expect from us. We intend to engage in wholesale distribution to retail stores that will cater to the following group of people:

Households

Hospitals

Malls

Business Places

Prisons

Government Institutions

Educational Institutions

Spas and Beauty Salons

Hotels and club houses

Religious houses

Restaurants

Every person/entity not listed

Our Competitive Advantage

Since we intend to survive in the market for a long time to come and also be among the top leading brands in Tanzania as well as globally, we have drafted competitive advantage strategies that will ensure that our vision and mission statement is achieved.

We know how important our customers are to the business, and so one of our competitive advantages is to ensure that our customer retention strategies remain very high. This can be achieved by promptly attending to the complaints of our clients and giving out incentives regularly.

Another of our competitive advantage is in the hiring of competent employees who have a vast experience in the field and are attuned to our vision and corporate culture, and also understand the need to have a strong distribution network as well as excellent customer culture while also positively promoting and projecting our brands.

Another part of our competitive advantage is in ensuring that our competent employees have fair welfare packages, which would be the best in the industry. This would then ensure that they improve on their productivity, which would to a greater extent improve our bottom line.

Lastly, we would ensure that our pricing policies are not only favorable to our customers but also to us as well. This we would do by critically evaluating the right price that would be fair to us as well as our numerous clients.

SALES AND MARKETING STRATEGY

Sources of Income

T-STAR INDUSTRIAL COMPANY LIMITED is being established with the purpose of generating revenue and invariably making profit in Tanzania. To ensure that we have a healthy bottom line, we intend to ensure that we have other sources of income for our business as well by producing other related products as well as provide services too.

At T-STAR INDUSTRIAL COMPANY LIMITED, we are not only well positioned to take on the available market that exists in Tanzania, we are also quite confident that we will generate enough revenue in our first year of business to cover all operations and overheads, so much so that the business will begin to pay itself and then invariably grow and expand.

Our confidence stems from the fact that we have critically evaluated this industry especially the production and distribution line and our chances are strongly positive. The sales projection we have carried out is based on information that was gathered on the field and some of the assumptions are based on factors that are peculiar to start-ups in Tanzania.

Below are the sales projections for T-STAR INDUSTRIAL COMPANY LIMITED, which is based on where we are located as well as other factors that is intended for the growth of our business.

First Fiscal Year-: 3,300,000,000

Second Fiscal Year-: 5,750,000,000

Third Fiscal Year-: 8,625,000,000

N.B: It should be noted that the sales projection above is based on the assumption that all favorable factors will remain constant and that there won't be any change. However as time changes, there the projections might be lower or higher.

Marketing Strategy and Sales Strategy

Every business man knows how important marketing is to a business and how deploying the right marketing strategies will help the companies generate income as well as boost its own profile as well. After a thorough research on what marketing strategies would be best for us to not only penetrate the market but also compete favorably with other leading brands as an upcoming company, we were able to come up with reliable data and information that will ensure our business is marketed effectively in Tanzania.

Also, knowing the importance of marketing to our business, our sales and marketing executives have been empowered to deliver our corporate sales goals so as to shore up our revenue base while also positively promoting the company's image.

We also know how important technology is in these times especially when it comes to marketing and so we have perfected plans to develop an app that will bring us closer to our existing and potential clients. We would also make our official website and social media platforms as active as possible for our audience.

We intend in summary to leverage on the following approaches to market our products and services at T-STAR INDUSTRIAL COMPANY LIMITED;

Advertise our motorcycles manufacturing company via local newspapers, national newspapers, and radio stations and on television.

Encourage our loyal customers by giving out incentives for referrals

Engage in word of mouth marketing

Engage in direct marketing through our sales and marketing executives

Ensure our business is listed in Yellow pages and other local directories as well as online directories

Use our website to sell our products and services

Make use of our social media platforms to actively promote and sell our products and services.

Regardless of the fact that our brand is a well-known one that has a high standard, we know how important creating awareness for a business is. Every business established for the purpose of making profit and competing favorably with other leading brands must have good publicity and advertising strategies laid out, and this we have in place.

T-STAR INDUSTRIAL COMPANY LIMITED intend to explore all available means of publicity in Tanzania. Our publicity strategies will ensure that we not only promote our products and services but project our image positively to intending and existing clients.

Listed below are the platforms we intend to leverage on in promoting our T-STAR INDUSTRIAL COMPANY LIMITED;

- Provide distribution benefits to all our distributors and partners
 - Place adverts on print media (local newspapers as well as relevant magazines) and electronic media (radio stations and televisions)
 - Use our social media platforms – such as Facebook, Twitter, and Instagram to seriously engage our existing and potential clients and promote our brands
 - Sponsor social shows such as community pageants and educational fairs
 - Distribute our handbills and fliers in various target areas
 - Install our billboards in various strategic locations around Tanzania
 - Give our distribution trucks an attractive color that will visibly show and promote our products
-
- Our Pricing Strategy

Our pricing module will however not be too different from that of our competitors, as we would during the first six months of operations offer our products at a little less price than that of our competitors; we might however raise the prices a bit after our brand has become well known. We would never offer prices that are below our cost of production as well as overheads as we intend to be in business for a long time.

Payment Options

Because we know how an easy payment option will keep more of our customers with us, at T-STAR INDUSTRIAL COMPANY LIMITED, we have crafted a payment policy that will ensure our customers find it easy to pay. We also have different payment options for various clients.

Our payment options below are available for most of our clients;

Check payment via banks

Online bank transfer

Payment via Point of Sale

The banks that we have partnered with for this payment options are those that will ensure that customers will have a smooth experience without hitches when making payments.

Start – Up Expenditure (Budget)

Starting a standard manufacturing business is not the easiest of tasks as most of one's start-up capital has to go into ensuring that hitches and glitches are reduced to the barest minimum. The bulk of this capital usually goes into equipment and machinery purchase, utility bills and employee salaries at least up to a certain period of time.

INVESTMENT COST - FINANCING PATTERN

The Total development cost is estimated at TSHS 20,000,000,000 A summary of the breakdown is as indicated in the table below

Item	TSHS
Business incorporation fees and other legal expenses in Tanzania	30,000,000
Obtaining of licenses and permits	5,000,000

Operational cost for the first six months (payment of utilities, employee salaries)	1,597,200,000
Insurance coverage (General Liability, workers' compensation, property liability)	399,300,000
Marketing and publicity promotion expenses for launching as well as for six months of operations	1,397,500,000
Cost of making equipment	1,996,500,000
Cost of inventory (raw materials and packaging materials)	2,396,000,000
Cost of hiring a business consultant	399,300,000
Setting up a storage facility plus equipment	998,250,000
Cost of the distribution truck	799,400,000
Cost of administrative start-up expenses (computers, printers, stationeries, phones)	599,550,000
Cost of launching an official website –	399,300,000
Cost of launch party	199,650,000
Miscellaneous	399,300,000
Sub Total	14,963,000,000
Initial working capital	4,996,250,000
GRAND TOTAL	20,000,000,000

From the above requirements, we would need an estimate of **20,000,000,000 TSHS** to successfully start and operate our manufacturing company in Tanzania. This amount can successfully cover our first six months of operations.

ENVIRONMENTAL IMPACT

People, practices, philosophy and passion are all part of sustainable manufacturing. Through our comprehensive policies and high standards, we protect health and safety of our member, act as good stewards to the environment and produce quality sustainable products.

Reduce, Reuse and Recycle Program

The "Reduce, Reuse and Recycle" (3R) resources conservation and pollution prevention program is an important part of sustainability in our manufacturing factory. Reducing the consumption of fuel, plastics, paper and wood products through the 3R program preserves natural resources while providing financial savings for us.

Environmental management

Our manufacturing facilities use a process of continual improvement to implement sustainable practices that ensure a safe and eco-friendly company. We meet our health, safety and environmental goals and objectives through the following tools:

- Standardized policies and procedures
- Conducting internal regulatory audits and inspections
- Training
- Tracking resources
- Eliminating conserving energy hazards

Prevention of Pollution

T-STAR INDUSTRIAL COMPANY LIMITED is committed to identifying and implementing opportunities to prevent pollution. We encourage pollution prevention ideas generated by our employees, suppliers and customers. We give a high priority to products and manufacturing process that use non-hazardous materials, minimize waste and emissions, reduce environmental impact and facilitate recycling.

Sustainability and Expansion Strategy

Every entrepreneur knows how important it is to sustain a business. A business can be sustained through various factors such as increasing the retention rate of your loyal customers. Ensuring the efficiency of our employees by hiring the right people and giving them regular training, and also having the right business structure so that the company can continue to exist for as long as possible.

CASH FLOWS PROJECTIONS FOR FIVE YEARS

Item	Year 1 (TZS)	Year 2 (TZS)	Year 3 (TZS)	Year 4 (TZS)	Year 5 (TZS)
Authorised Share Capital	20,000,000,000	-	-	-	-
Sales Revenue	3,300,000,000	5,750,000,000	8,625,000,000	11,500,000,000	13,800,000,000
Scrap Sales & Other	129,000,000	172,500,000	230,000,000	287,500,000	287,500,000
Total Cash Inflows	23,429,000,000	5,922,500,000	8,855,000,000	11,787,500,000	14,087,500,000
Land Acquisition	276,000,000	-	-	-	-
Legal Fee and Permits	23,000,000	-	-	-	-
Site Preparation	46,000,000	-	-	-	-
Factory Construction Phase 1	575,000,000	230,000,000	-	-	-
Factory Construction Phase 2	-	230,000,000	115,000,000	-	-
Office & Admin Block	69,000,000	46,000,000	-	-	-
Machinery (Extruders)	460,000,000	230,000,000	230,000,000	-	-
Testing and Lab Equipment	57,500,000	34,500,000	-	-	-
Vehicles (Delivery Vans)	92,000,000	-	-	-	-
Raw Materials (Copper, PVC)	-	230,000,000	460,000,000	690,000,000	920,000,000

Factory Labor Wages	-	138,000,000	184,000,000	230,000,000	276,000,000
Utilities (Electricity, Water)	-	69,000,000	80,500,000	92,000,000	103,500,000
Admin Salaries	-	115,000,000	138,000,000	161,000,000	184,000,000
Marketing and Sales	-	57,500,000	69,000,000	80,500,000	92,000,000
Transport and Distribution	-	34,500,000	46,000,000	57,500,000	69,000,000
Maintenance and Spares	-	23,000,000	34,500,000	46,000,000	57,500,000
Insurance and Licenses	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
Office Running Costs	-	18,400,000	23,000,000	27,600,000	34,500,000
Total Cash Outflows	8,050,000,000	8,060,000,000	7,435,000,000	8,038,000,000	8,862,500,000
Net Cash Inflow/(Outflow)	15,379,000,000	(2,137,500,000)	1,420,000,000	3,749,500,000	5,225,000,000
Balance Brought Forward	15,379,000,000	13,241,500,000	14,661,500,000	18,411,000,000	23,636,000,000
Balance Carried Forward	15,379,000,000	13,241,500,000	14,661,500,000	18,411,000,000	23,636,000,000