

# Executive Summary

## Opportunity

### Problem

The Eastern and Central African region has grown to be prosperous with many huge cities over miles of land. The cities need food and supplies. Long-haul trucks are the fastest and most efficient way to get people food before it spoils and other supplies that people need.

### Solution

Exomark Investments Ltd is a Kibaha-based trucking company that aims to be one of the largest trucking companies in the Eastern-Central Africa. The company is initially focusing on the food industry with plans to diversify with new industries served. The company adopted the trucking industry as the growth prospects are encouraging and stable, with trucking dominating the freight industry in this country whilst serving its sister company's freight requirements as well.

### Market

Exomark Investments Ltd will employ three distinct marketing efforts to raise awareness about the company and generate new customers. The first strategy is the use of promotions. This will focus on press releases and advertising using various different media. The second effort will be the use of incentives. The incentives will be offered to existing customers. The last effort will be social media to reach new and existing customers.

Exomark Investments Ltd is a customer-centric organization looking to become one of the premier trucking companies in the Eastern-Central Africa. Profitability is forecasted to occur at month three. The Company has conservatively projected sales of \$600,000 for year one and \$800,000 for year five.

### Competition

Although there are major players in each of the commercial carrier market segments, the market remains highly fragmented. According to a Google search of Tanzania's trucking, there are numerous companies providing different kinds of trucking services. Major competitors for The Company are those companies who have comparable truck fleets and are also targeting the food industry.

Market research shows that customers in the food industry are price sensitive, and they value on-time deliveries, special handling capabilities, and less-than-truckload orders. Customer referrals and carrier's reputation are believed to strongly influence the buying decision.

# Company

## Overview

### Ownership & Structure

The Company has been in business for one year. We have maintained financial stability during the first year of operation due to the extensive industry experience of our management team.

The company's management is minimal in order to reduce the overhead. The company owners, and president makes all executive decisions. They will also generate most of the sales leads. Samuel Walter will work as an executive secretary as well as sales representative and will be hired to solicit new business once the company acquires new trucks. In year 2 the administrative staff is planned to increase in order to handle the higher sales volume. In the future, a sales manager will be hired to allow the owners to have more time to dedicate themselves to company management.

### Investment Objectives

- To set up a well functioning and efficient food transportation long hauling trucking company by the end of December 2022
- To expand in other sectors, such as construction and material logistics by December 2025
- To become the company of reference when it comes to the contribution of the national income
- To generate sales revenues of TZS 2.07billion and net profit of at least TZS 5.746 Billion in the first year once operations begin at a capacity utilization of 50%.
- To create employment of 24 people whether unskilled, skilled or professionals. And more importantly, empower local farmers and producers in the entire agricultural value chain

### Why Us?

The Company enables someone to lease a truck, of any size, for any project that needs hauling. We will provide this service to the whole of the Eastern Africa region, starting with Tanzania, and hope to expand from this base area within the first five years of operation.

# Expectations

## Forecast

The company is raising \$560,000 for the purpose of financing equipment purchases to meet a growing demand for its services. The company management has reason to believe that an increased truck fleet will assist the company in its effort to widen its market offering and increase sales.

Financial Highlights by Year



## Financial Highlights by Year

### Financing Needed

We will be raising \$560,000. There will be \$105,000 invested in cash for operations and \$455,000 in equipment.

# Opportunity

## Problem & Solution

### Problem Worth Solving

The Eastern-Central Africa has grown to be prosperous with many huge cities over miles of land. The cities need food and supplies. Long-haul trucks are the fastest and most efficient way to get people food before it spoils and other supplies that people need.

### Our Solution

Exomark Investments Ltd will offer both for-hire trucking as well as private carriers. Most of their business will be derived from the private carriers. For the private carrier segment, both truckload (TL) and less than truckload (LTL) will be offered. The company's services will be especially attractive to the food industry, as participants in that industry typically use referrals, reputation, and customer service as purchasing variables.

## Target Market

### Market Size & Segments

#### Market Segmentation

There are several potential customer segments that we will provide our transportation services to. Major customer segments include the food industry, PC, and semiconductor manufacturers, and retailers. The chart and table below outline the current market size and growth estimates for these customer segments in the region.

Large established companies in the afore-mentioned segments (especially in the food industry) have their own truck fleets, while smaller players outsource the transportation function. The latter vary in the scale of their operations but have a steady demand for reliable transportation solutions. We will actively solicit such customers.

#### Target Market Segment Strategy

The Company will focus its marketing budget on a selected industry niche. A narrow-served market focus will help strengthen the company's reputation of a reliable transportation services provider and will generate favorable referrals.

The major customer segment the company is focusing on is the food industry. Companies in this segment have varying needs, and The Company has already gained valuable experience serving such customers. The company management believes that by increasing its truck fleet it can capture additional clients and provide better service to existing clients.

## **Competition**

Although private carriers comprise the largest component of the motor carrier industry, financial information isn't available for them. However, the industry is estimated to provide services valued at some \$200 billion annually (or 58% of motor carrier revenues in 2018).

The Tanzanian Transport Sector review, by the African Development Bank estimates that there are more than three million trucks operated by private fleets transporting 3.5 billion tons of freight annually across the Eastern Central African region.

## **Our Advantages**

Our major competitive advantage is the vast industry experience and solid reputation of its owners' ability to strategize, plan and execute.

# Exomark Investments Limited

# Business Startup Costs

FUNDING		Estimated	Actual	Over/(Under)
<b>Investor Funding</b>				
Local equity		480,000	480,000	-
Foreign equity		20,000	20,000	-
<b>Total Investment</b>		<b>500,000</b>	<b>500,000</b>	-
<b>Loans</b>				
TIB Bank		54,782	54,782	-
<b>Total Loans</b>		<b>54,782</b>	<b>54,782</b>	-
<b>Other Funding</b>				
Grant		-	-	-
<b>Total Other Funding</b>		-	-	-
<b>Total FUNDING</b>		<b>554,782</b>	<b>554,782</b>	-

COSTS		Estimated	Actual	Under/(Over)
<b>Fixed Costs</b>				
Advertising for Opening		300		
Basic Website		1,000		
Business Licenses/Permits		120		
Computer Hardware/Software		3,000		
Internet Setup Deposit		1,000		
Office Furniture/Fixtures		3,000		
Prepaid Insurance		1,300		
Public Utilities Deposits		1,000		
Security System Installation		500		
Tools & Supplies		3,000		
Truck & Vehicle		273,910		
<b>Total Fixed Costs</b>		<b>288,130</b>	-	-
Business Vehicle Insurance		5,600		
Internet Connection		500		
Loan and Credit Card Interest & Principal		5,950		
Legal/Accounting Fees		1,500		
Security System Monthly Payment		200		
Telephone		100		
Travel		1,200		
Public Utilities		1,000		
Website Hosting/Maintenance		100		
<b>Total Average Monthly Costs</b>		<b>16,150</b>	-	-
<b>x Number of Months</b>		<b>6</b>		
<b>Total Monthly Costs</b>		<b>96,900</b>	-	-
<b>Total COSTS</b>		<b>385,030</b>	-	-
<b>SURPLUS/(DEFICIT)</b>		<b>169,752</b>	<b>554,782</b>	<b>385,030</b>

# Execution

## Marketing & Sales

### Marketing Plan

The company will market its services as solutions to the many companies requiring cargo to be transported promptly and efficiently. The company's future marketing plans will be nationwide, emphasizing haulage capabilities for any cargo. The overall marketing plan for services is based on the following fundamentals:

- The segment of the market(s) planned to reach.
- Distribution channels planned to reach market segments: television, radio, sales associates, and mailings.
- The share of the market expected to capture over a fixed period of time.

### Sales Plan

The Company will have a lease arrangement with various companies. The company's pricing is based on distance traveled and the type of cargo transported. We will be able to charge competitive rates, as we have minimal overhead compared to our competition. The table below sketches out the pricing structure; for a key to this table please see asterisks at the bottom of the page.

## Operations

### Locations & Facilities

The Company will offer both for-hire trucking as well as private carriers. Most of their business will be derived from the private carriers. For the private carrier segment, both truckload (TL) and less than truckload (LTL) will be offered. The Company's services will be especially attractive to the food industry, as participants in that industry typically use referrals, reputation, and customer service as purchasing variables.

## Milestones & Metrics

### Key Metrics

- Freight cost per unit shipped
- Outbound freight costs
- Inbound freight costs as percentage of purchases
- Transit time

- Claims as % of freight costs
- sales
- loads
- maintenance
- driver commissions
- leads
- closes
- clients
- repeat clients

## **Team**

### **Management Team**

The management of The Company will be highly experienced and qualified. The COO of the company will be the person who is well respected by the trucking professionals with whom he has worked.

The company's management philosophy is based on responsibility and mutual respect. The Company will maintain an environment that will stimulate productivity and emphasize respect for customers and fellow employees. The company structure will be linear, which leads to staff responsibilities and decision-making power.

Our truckers on salary earn about \$50K per year, which is close to the national average. Our two own-operators earn less because we are building a company.

# Financial Plan

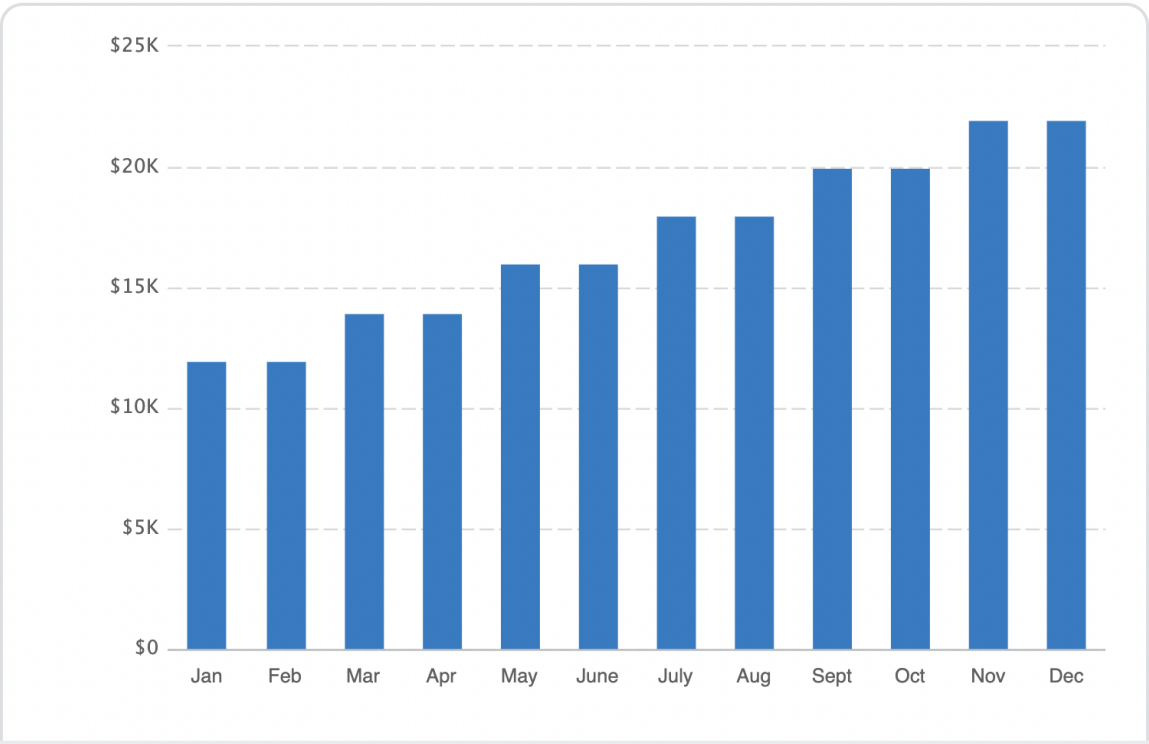
## Forecast

### Key Assumptions

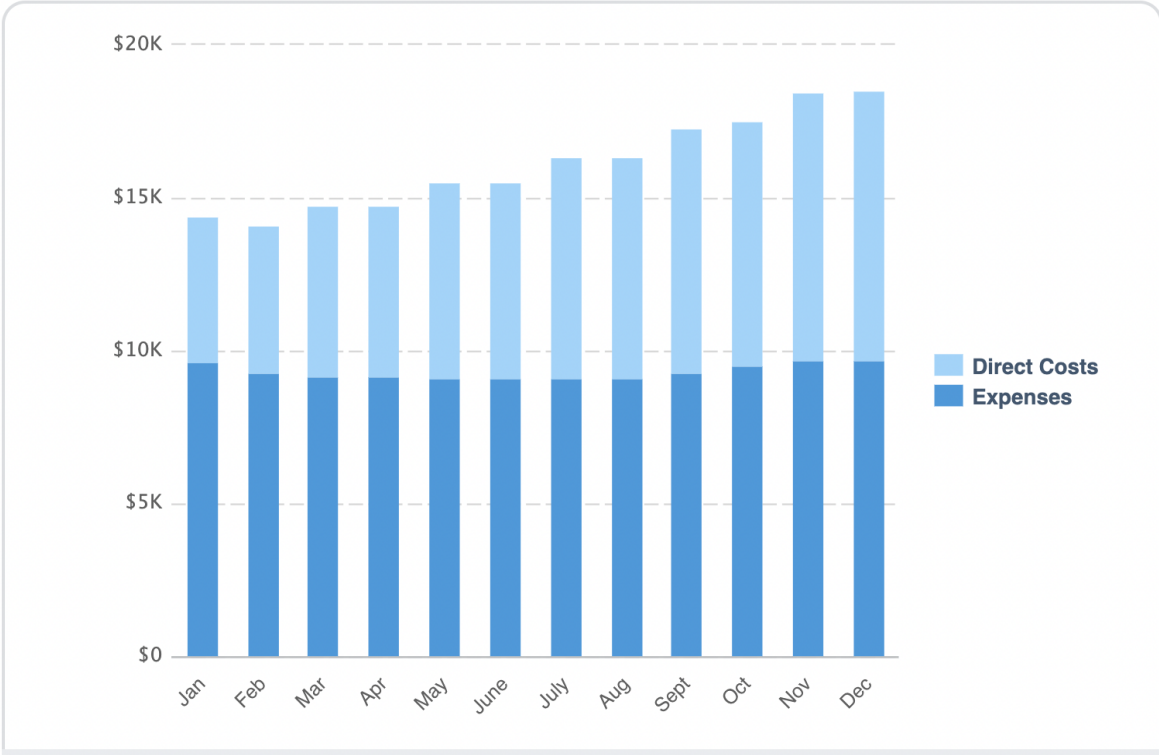
Our assumptions:

- Trucks are the best way to get food and supplies
- The market will pay the prices needed to support the trucks

### Revenue by Month



# Expenses by Month



# PROFIT AND LOSS PROJECTION

Exomark Investment Limited

## PROFIT AND LOSS ASSUMPTION

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual cumulative price (revenue) increases	0.00%	3.00%	6.00%	9.00%	12.00%
Annual cumulative inflation (expense) increases	0.00%	3.00%	6.00%	9.00%	12.00%

## INCOME

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenue</b>					
Cargo Transportation/km	600,000.00	618,000.00	655,080.00	714,037.20	799,721.66
<b>Total revenue</b>	600,000.00	618,000.00	655,080.00	714,037.20	799,721.66

## Cost of Sales

Cargo Transportation/km	90,000.00	92,700.00	98,262.00	107,105.58	119,958.25
<b>Cost of goods sold</b>	90,000.00	92,700.00	98,262.00	107,105.58	119,958.25

<b>Gross Profit</b>	510,000.00	525,300.00	556,818.00	606,931.62	679,763.41
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## Non-Operation Income

Returning Trips	150,000.00	154,500.00	163,770.00	178,509.30	199,930.42
Interest income	-	-	-	-	-
Loss (gain) on sale of assets	-	-	-	-	-
Other income (specify)	-	-	-	-	-
<b>Total Non-Operation Income</b>	150,000.00	154,500.00	163,770.00	178,509.30	199,930.42

<b>TOTAL INCOME</b>	660,000.00	679,800.00	720,588.00	785,440.92	879,693.83
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## EXPENSES

### Operating expenses

Sales and marketing	3,600.00	3,708.00	3,930.48	4,284.22	4,798.33
Depreciation	1,400.00	1,442.00	1,442.06	1,442.12	1,442.18
Insurance	5,600.00	5,768.00	6,114.08	6,664.35	7,464.07
Payroll and Payroll Tax	1,800.00	1,854.00	1,965.24	2,142.11	2,399.16
Maintenance, repair, and overhaul	1,400.00	1,545.00	1,590.00	1,635.00	1,680.00
Utilities	1,000.00	1,030.00	1,091.80	1,190.06	1,332.87
Administrative fees	300.00	309.00	327.54	357.02	399.86

Interest expense on long-term debt	2,458.07	1,962.36	1,441.87	895.35	321.50
Other	1,500.00	1,545.00	1,637.70	1,785.09	1,999.30
<b>Total operating expenses</b>	<b>19,058.07</b>	<b>19,163.36</b>	<b>19,540.77</b>	<b>20,395.32</b>	<b>21,837.28</b>

<b>Non-Recurring Expenses</b>					
Training	700.00	700.00	700.00	700.00	700.00
Returning Trips	-	-	-	-	-
<b>Total Non-Recurring Expenses</b>	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>

<b>TOTAL EXPENSES</b>	<b>19,758.07</b>	<b>19,863.36</b>	<b>20,240.77</b>	<b>21,095.32</b>	<b>22,537.28</b>
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<b>TAXES</b>					
Income Tax	192,072.58	197,980.99	210,104.17	229,303.68	257,146.96
<b>TOTAL TAXES</b>	<b>192,072.58</b>	<b>197,980.99</b>	<b>210,104.17</b>	<b>229,303.68</b>	<b>257,146.96</b>

<b>NET PROFIT</b>	<b>448,169.35</b>	<b>461,955.65</b>	<b>490,243.06</b>	<b>535,041.92</b>	<b>600,009.58</b>
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