

BUSINESS PLAN

PROMOTED BY

LUMUMBA HAULIERS LIMITED

P.O.BOX 15742

DAR ES SALAAM

Prepared by:

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1.0 EXECUTIVE SUMMARY.

1.1 Business Profile

- 1.1.1 Name: Lumumba Hauliers Ltd
- 1.1.2 Ownership Type: Private Limited Company by shares
- 1.1.3 Nature of Business: Cargo Transportation Business
- 1.1.4 Area of Business Lumumba Magomeni- Dar es salaam
- 1.1.5 Registration: Business License No. and TIN NO.156-275-115 and Certificate of Incorporation No. 156275115
- 1.1.6 Bankers: BOA Bank Ltd
- 1.1.7 Bank Account: Current Account
- 1.2 Nature of Project: Cargo Transportation Company Establishment

1.3 Financing Plan

- 1.3.1 Financing: Term loan
- 1.3.2 Facility size: USD 900,000 Equivalent to TZS 2 billion 106 million
- 1.3.3 Repayment Terms: Payable each month in Twenty Four months(2years)
- 1.3.4 Sources of Repayments: Revenue from Cargo transportation Business.
- 1.3.5 Collateral: The facility will be covered by ten Trucks and their trailers the Company out to acquire from bank

1.4.The way forward

The prospects of Lumumba Hauliers Ltd are anticipated to grow in sales and profitability due to current reputation in the market. Its matchlessness is reflected in the professionalism of the owners and the staff that is going to be hired considered to be trusted by the clients by providing them with what they need and satisfying their demand of the transportation service to be service offered.

The managing Director will enhanced company's reputation to the point where the company has managed to win big tenders of cargo transportation this will be achieved due to the competitive strategies prepared by the management. Reliable plus the quality of the service to be offered.

1.5 Mission

The mission of Lumumba Hauliers Ltd is to provide a super reliable Cargo transportation service to the upcountry regions and nearby countries.

1.6 Vision

The vision of Lumumba Hauliers t Ltd is to become the most efficient and convenience

Cargo transportation company with strong financial base and reputation among the client in the country.

2.0. **BUSINESS**

2.1 Background of the Business

Lumumba Hauliers Ltd with Business License No: B and Tax Identification No 156-275-115 was incorporated as a company limited by shares on 26th May 2022 with certificate of incorporation number 156275115

2.2 Key to Success

The Lumumba Hauliers Ltd management to be will believe that the successes, both past and future are derived from a handful of important assets:

- Management dedication to quality to profit and enhancing competitive position in the market for their services.
- Giving the clients with perfect service thus focusing on needs in term of quality.
- Adhere and respond to the changing market atmosphere
- Continued emphasis on operational efficiency

2.3 Business Physical Location and contacts

The Lumumba Hauliers Ltd office is Located at Kagera Street Magomeni, Kinondoni Dar es Salaam – Tanzania . The location is strategically situated at busy area in Dar es salaam with a high profile and access from all parts in the town, the objectives is to retain the position as it is the one of the major key for success.

The management of the Company Lumumba Hauliers Ltd can be contacted through:

LUMUMBA HAULIERS LTD

P.O BOX 15742

DAR ES SALAAM

Mobile: +255713 200200

2.4. Management Structure

Lumumba Hauliers Ltd is under the management team with long experience in doing this business in other different companies, and they are highly committed and hard-working backed with good management skills and strong financial control, the character that make the company to become very successful in long run.

1. Managing Director

Name: Mr.Fahad FArys Lardhi

Experience: More than 5 years

Achievement: Since establishment of Lumumba Hauliers Ltd, the business Profit have been improving time after time.

Responsibility: Senior in charge of day to day activities of the business, responsible for finding tenders for cargo transportation. He is Responsible for provision of Cargo transportation service to clients.

2. Supervisor

Name: Mr.Farhad Faris Lardhi

Experience: More than 4 years

Experience: More than 4 years

Age: 24 years

3. Company Manager

Name: Mr. Mathias T. Kinasa

Experience: More than 15 years

Age: 40 years

MARKET AND MARKETING ASPECTS.

3.1 Services Description and Demand

3.1.1: The Services

Lumumba Hauliers Ltd expect to offer a reliable Cargo transportation service from different big Cargo Companies in Dar es salaam to different nearby landlocked countries particularly Burundi,Zambia and Congo DRC but now the company has an agreement with LUMUMBA TRANSPORT LTD to work for them.

3.1.2: The demand

The demand for the business service keep growing day after day due to a number of factors which have led the directors to see the importance of raising additional funds to be able to attend the fast growing demand. The following factors contribute to the growth of demand for the product

- **Growth of the Economic Activities**

The growth of economic activities has increased the demand for Cargo since most of the development activities require materials movement from Agriculture, mining, Industries, transportation, health and other most private and Public Sectors need materials for running their activities.

- Growth of per capital income.

The growth of the per capital income of residents and non-residents due to the growth of different Sectors of economy in the country has increased the individual's annual income and hence be able to have their own business which eventually requires commodities from different parts.

3.2. Marketing Analysis

In recent years there have been a large number of companies registered for the transportation of Cargo. The increase in dealers has been in line with an increase in number of clients. However, most of the companies still face credibility on meeting orders on time as most of transporters have limited capacity. So Lumumba Hauliers Ltd will take that challenge as an opportunity to capture the market easily and tape clients who are in demand for prompt and reliable service The Company will develop business ties with many big and reliable clients but at start it will start with LUMUMBA TRANSPORT LTD.

3.3. Pricing Strategy

The owners pricing strategy is mainly cost-plus with due care to market forces. Very narrow margins are added to the assortment to remain competitive and attract more customers. This has been a strong marketing tool in business and market growth.

3.4. Competitive Analysis

3.4.1. Competition:

The company will have to face a strong reasonable competitive from dealers of different capacities in the area. There are a number of companies dealing with the same business. The following is the list of few expected competitors.

- Kays Logistics Company Limited
- Usangu Logistics
- Rapid Logistic& General Service

This makes the competition including price based competition inevitable. Lumumba Hauliers Ltd will do its best in determination of price by using his experience to maximize profit and at the same time manage demand as well.

The company will constantly strive to compete and be ahead of competition. A technique in place is to ensure availability of service whenever a client raises the order.

3.4.2. Competitive strategies

- The major competitive strategy that will makes it better and different from its competitors is that the owner will engage in reliable Cargo transportation service provided to client’s needs as the competing weapons
- Also due to long stay in the Insurance Agency business, the good word of mouth and the super quality Cargo transportation service that will to be offered will enables the company to maintain a favourable market share.
- Competitive edge is the positioning strategically with clients. This is by building a business based on long -standing relationship with satisfied clients, simultaneously build defences against competition. The longer the relationship stands, the more it helps its customers understand what the company offers them and why they need it.
- In addition the competitive advantage to this business is the attractive location of the business, customer loyalty, competent experienced motivated staff, speed and quality with which the company offers its services.

4.0. FINANCIAL PLANS

4.1. Assumptions and consideration.

- The amount of facility sought is USD 900,000
- Payback period is two years after disbursement of Facility
- Direct cost are assumed to be 75% of Revenue
- Revenue is expected to increase by 20% per annum
- Net profit margin is expected to be an average of 15% per annum

4.2. Investment Plan

Lumumba Hauliers Ltd plans to acquire ten Trucks brand name: Howo Sino truck 6×4 tractor Model No. ZZ4257S3241W and four Turkish made 40feet semi-trailers, the trucks are to be supplied direct to us.

INVESTMENT PLAN FOR YEAR 2022

Description	Qty	Unit price	Total cost
Howo Sino trucks	10	65,200	652,000
Turkish made 40feet Semi trailer	10	22,000.	220,000
Total Cost			872,000

In this Investment the management will contribute 20% of the total cost which will be USD 174,400;and the rest 80% of the fund which is USD 697,600 will stand as the bank term loan payable in the period of two years.

4.3.3 Projected Cash Flow

Guided by the past and recent performance, the projection for the 24 months facility show positive net cash inflows. This indicates the business will be able to Carter for its obligation from its business operations.

Therefore 900,000 USD facility is required to enable the company start its Business so as it can meet the demand for Cargo transportation industry.

i) Cash Inflows

The business revenue will be derived from cargo transportation as described above. The company will offer restricted credit terms to some of royal customer who will pay without delay except for minor cases

ii) Cash outflows

The main tunnel for Cash outflows is the direct cost of the trucks. As described above. A person travels physically to the main markets and search for tenders. This helps minimize the direct costs increase gross profits. Other outflows constitute the daily and monthly Cash disbursements for the basic operating expenses including taxes and other utilities
(Annex: cash flow projection)

iii). Financial Viability (Ratio analysis)

The past performance the trend and the projections in term of income statement.

Statement of Financial position together with cash flow projection are relevantly strong. The facility will be certainly liquidated as required after utilizing the facility. The overall results are very satisfactory and unquestionable in terms of continued existence and repayment.

5.0. RISK ANALYSIS

The company is considered to be subject to controllable and uncontrollable uncertainties (risks) some of the risk thought of by the owner are as follows.

- Actions of competitors
There are possibilities of new competitors rise or growth of competition from the existing players in the market which may affect the planned sales and hence profit.
- Unforeseen Industry trends.
These are like adverse changes in Cargo transportation costs due to large availability and unavailability of Cargo which can affect the business profitability.

- **Supply problem**

Fluctuation in supply due to instability of the world economy, sometimes the supply is good but there are times when the supply is poor due to civil wars in the Cargo producing countries

Remedies:

- The management is prepared to face the competition by offering the best services and super quality cargo transportation service in order to build a good customer loyalty
- The management is planning to add efforts on the marketing strategies so as to reach as many clients demands as possible
- Another strategy thought of business diversification which will reduce the overall riskless of the investment
- The business will hire security services from a security group to safeguard the business **assets from physical theft.**

6.0 ECONOMIC JUSTIFICATION

6.1 Development Value

The business will create direct employment to the people around the area and Tanzania as whole. After getting the loan facility many people will get employed. This will contribute to the fourth government strategy of raising level of employment and hence good life for every Tanzanian.

The business is fully resource based which is purely involved in the improvement of employment in Tanzania. The business will be profitable hence ability to contribute to the government by ways of taxes and reduce the number of unemployment level in the country

6.2 Government Taxes

Substantial revenue will accrue to the government in the form of various taxes and levies

7.0 GENERAL OBSERVATION

- The financial performances reveals the business will be highly profitable
- The owner is very keen not to commit the business beyond its mean
- The demand of Cargo transportation guarantees stable market for the company's operations
- The viability of the business suggests that any investment in this business is highly secured.

8.0 CONCLUSION AND RECOMMENDATIONS:

- Technical analysis of the company shows that it will be financially viable and justifiable economically
- Managerial analysis also shows the manager is a well experienced businessman in with sound character, unquestionable credibility, and goodwill
- Socio- economic analysis depicts the business of interest to the owners and economy at large as analysed above
- It is therefore commendable that expansion of the venture deserves favourable financing consideration to enable Lumumba Transportation Ltd meet its goals mentioned above