

MWAMBALEO INVESTMENT COMPANY LIMITED BUSINESS PLAN

1. Primary Aim

Mwambaleo Investment Company Limited is the company focusing mainly on manufacturing of construction materials. We are striving to provide unique service and products that will meet international and domestic standards inside the manufacturing industry.

2. Strategic Objectives

Our strategy at Blue tree as a business is to always ensure that our customers receive the best service and that meets or exceed their expectations. To achieve this we have a number of metric that we use to measure our success, below are some of the metrics;

- a. **Customer satisfaction:** A happy customer is the most important aspect of our business, as they will dictate the survival of our business. Apart from the primary objective of knowing how well we are serving our customers, this metric and its trending over time helps in identifying the functions or services that need the most attention, hence helping us improve and becoming better.
- b. **Employee Satisfaction:** An unhappy workforce will ultimately cause a number of issues in trying to meet the business goals. The measure of the mood of our workers will help provide guidance on how best to improve performance by focusing on areas that matter most to our staff.
- c. **Service:** As a company we want to measure our success based on our strategic goal and determine
- d. **Prices:** Based on our analysis of our potential customers, we set our prices in a way that we can manage our brand and provide the profit margins we need.
- e. **Cash flow:** As a life blood of any business, ensuring that we have a good cash flow statement is very important, to ensure that we have enough cash to run the business – pay wages, pay supplies etc. As part of the business knowing what clients to extend credit lines and for how long will be very essential.
- f. **Gross margins:** This is like the mother of all business metrics and the best indicator of a business's health at least in our view. The higher the gross margin, the more the indication that we are on the right track in every operational aspect. We do not have to wait for the quarterly or annual financial results to determine

profitability, serviceivity and customer satisfaction. Managing and monitoring gross margin on a regular basis goes a long way in reducing unpleasant surprises in the long run and also in deciding critical strategic initiatives for pricing, investments and sales efforts.

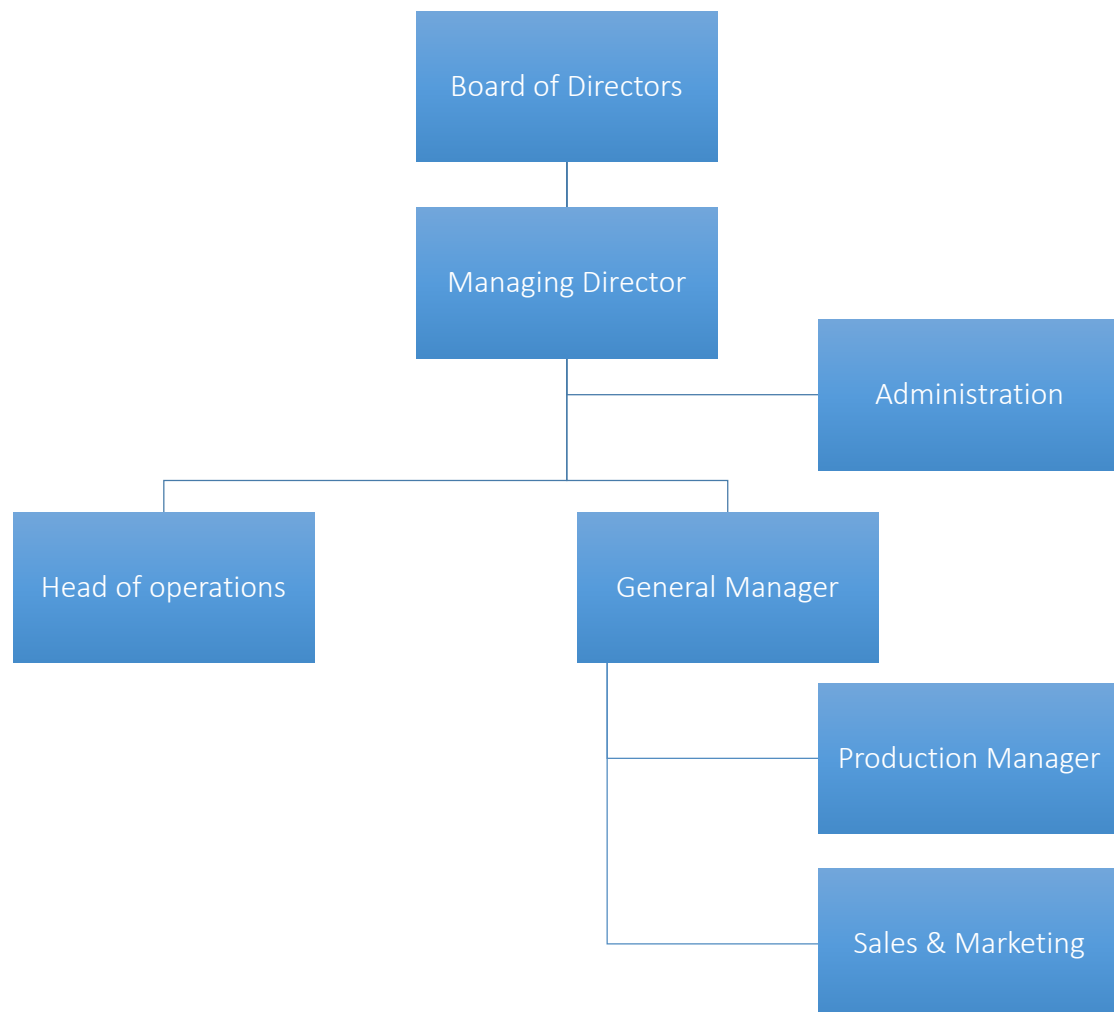
- g. **Customer loyalty:** Personal relationships between individual service providers and clients are critical to our success. We aim to add loyalty programs, referral bonuses, service freebies, and other promotions aimed at existing customers to create repeat business.
- h. **Advertising and promotion:** we intend to use demographics of our desired customer, such as age, geographic area or marital and parental status, to choose the right radio, TV, newspaper, magazine and website advertising vehicles. Create a website that lists your services and testimonials from clients. Don't talk only about your business -- provide personal beauty tips to make you a trusted partner and increase visits to your online pages. Maintain a current mailing list and use direct mail and email blasts to announce specials.

Apart from the list of key metrics described above, other metrics that we use are as follows:

- Referrals from current clients
- Payment failures
- Growth
- Progress
- Client preference changes
- Repeat clients

3. Organization Strategy

Organizational Chart



The Different roles and departments will help the business grow and manage it to run smoothly, efficiency and ultimately meet our overall objectives. Some of the different roles are as follows:

- Enable the clear identification of the required human resources, and specialties
- Ease management of responsibilities and activities

- Reduce room for errors by assigning tasks to qualified staff
- Easy to set strategic goals for particular functions or areas in the company

4. Management Strategy

What will your management checklist comprise of?

By having the right attitude and clear communication between the management and staff, and having regular performance appraisals, monitoring and reviews, standards and performance indicators, and have set evaluation methods, we believe we will be able to capture problems and opportunities as they arise and ultimately deal with them or adjust our strategies appropriately to take advantage of the opportunities.

Risks affecting our business, the level of impact, and steps that we will take to reduce them.

| Risks | Description | Level | How to reduce Risks |
|--------------|--|--------------|--|
| Strategic | <ul style="list-style-type: none"> • Change in Consumer preferences | Low | <ul style="list-style-type: none"> • Have close relationship with customers and have appropriate feedback tools to stay informed |
| Compliance | <ul style="list-style-type: none"> • Change in legislation, rules and regulation • Additional checks and compliance issues to abide with to continue doing business. | Medium | <ul style="list-style-type: none"> • Stay informed on regulations and certification requirements • Assign a person to specifically deal with compliance issues |
| Financial | <ul style="list-style-type: none"> • Cash flow issues • Loan management • For international business, taking account of foreign | High | <ul style="list-style-type: none"> • Get financial advice from a certified Financial adviser / Accountant |

| | | | |
|-------------|--|--------|---|
| | <ul style="list-style-type: none"> • exchange rates • Taxes | | <ul style="list-style-type: none"> • Employ Accountant |
| Operational | <ul style="list-style-type: none"> • Transportation breakdown, failure of suppliers to deliver serviceion ingredients | Medium | |
| Reputation | <ul style="list-style-type: none"> • Service failure • Copy cats with lower standard service • Negative publicity | Medium | |

5. People Strategy

Our business aims to ensure employees are happy and motivated to fulfill their responsibilities by implementing the following techniques:

- a. *Communication*: Open communication is most employees' #1 priority. We aim to find out what interests them and what doesn't. Speaking with an employee frequently shows that we care about them in more ways than simply wanting them to keep up with productivity.
- b. *Ensure Employees understand the company goals/vision*: Having employees harness self-direction in pursuit of common goals rather than forcing people to meet goals they don't understand or share.
- c. *Creating a positive working environment*: Since most of the workers will be spending most of their hours in a working environment, we will ensure to create a workplace that will encourage information and knowledge with team leaders and managers.
- d. *Recognition and Rewards*: We aim to have a built-in reward programs for our employees, either by having an employee of the week, or month and giving them rewards in front of his/her colleagues to remind employees that they are appreciated and help them meet their long term goals
- e. *Keeping employees informed*: We will strive to always keep our employees informed on what the company is doing and the direction its taking.
- f. *Provide training*: create an ongoing training program that can help fill the gap between lack of skills and better productivity after training needs are assessed.

6. Marketing

Our targeted customers are both men and women and our long-term goal is to cater for different companies and government as our main clients. This will increase the distribution and sales of our vehicles.

1. Customer retention strategies

- a. Never get complacent with first sale, and strive to get the customer to return for more and more service.
- b. Frequent communication: To avoid losing customers by building relationships and keeping in touch by sending seasonal greeting cards, calendars, t-shirts, SMS, or informing them of special offers
- c. By providing impeccable customer service to have our customers pass on the experience to others.
- d. Ensure service integrity: To ensure we produce products that meet/ exceed our customer's expectations in terms of taste, package innovation and creativity, quality, reliability and serviceability.
- e. Create a system to capture customer feedback
- f. Provide Questionnaires and Surveys

2. Customer Attraction strategies

- a. By Identifying our ideal customer
- b. Using repeating customers as ambassador to testify on the quality and effectiveness of our services.
- c. Advertise
- d. Approach and provide free demonstrations of our services in trade fairs, or festivals.

Our Competitors

With the Tanzanian government goal to support and transform the country to a more industrial based economy, more and more people are venturing into entrepreneurship, with the majority of them focusing on constructions and business related to constructions.

Our Service

We have different commodities which are essential to our field and we import our service experts from the various countries in the world.

Sales strategies

To ensure that we can increase sales to our current and future costumers we have come up with a number of strategies that we think if applied, can make a great impact in increasing sales.

- Defining the right way of assembling our services so that our customers will get by can have access to them easily.
- Being creative and innovative in our molding process of the tools.
- Advertising through social Medias, websites, TVs, radios and all platforms that can easily reach our customers.
- Partner with other companies to create distribution of motor vehicle sector.

7. System Strategy

Hard and software systems that will be put in place to increase business efficiency.

8. Finance and Resource Management

What is our financial model?

Our expected monthly cash flow for the first year is between 18,428 USD to 21,362 USD per month, with a breakeven point of 36,000,000 T.shs per month. For the next three years we project that our Income will start to increase, especially in the second and third year as we gradually reduce the distribution and equipment costs. The first year and first quarter of the second year we plan to reinvest most of our profits into expanding our business (buying equipment and paying for a permanent working space) and searching for markets.

9. TOTAL INVESTMENT COST

The project developer estimates that the project will be as follows:-

MWAMBALEO INVESTMENT COMPANY LIMITED COST STRUCTURE

| PARTICULARS | USD |
|-----------------------------|----------------|
| PRE EXPENSES | 34,000 |
| FURNITURES & FITTINGS | 31,000 |
| COST FOR RUNNING A BUSINESS | 33,000 |
| LAND AND BUILDINGS | 81,000 |
| SUPPLEMENT FUNDS | 26,000 |
| MOTOR VEHICLES | 75,000 |
| WORKING CAPITAL | 220,000 |
| TOTAL | 500,000 |

10. FINANCIAL PROJECTION FOR THE NEXT FIVE YEARS

10.1 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 shall grow from TSHS 100,000,000/= in the first year to TSHS 1,000,000,000 TSHS in the fifth year.

| | 1st YEAR | 2nd YEAR | 3rd YEAR | 4th YEAR | 5th YEAR |
|-------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Revenue | 99,190.00 | 109,109.00 | 120,109.00 | 168,027.86 | 235,239.00 |
| Operating Expenses | 51,578.80 | 56,736.68 | 62,410.35 | 58,809.75 | 82,333.65 |
| Profit before depreciation interest | 47,611.20 | 52,372.32 | 57,609.55 | 109,218.11 | 152,905.35 |
| Depreciation | 70,550.00 | 70,550.00 | 70,550.00 | 70,550.00 | 70,550.00 |
| Net profit | 22,938.80 | 18,177.68 | 12,940.45 | 38,668.11 | 82,355.35 |
| Tax (30%) | | | | 11,600.43 | 24,706.61 |
| Profit after Tax | 22,938.80 | 18,177.68 | 12,940.45 | 27,067.68 | 57,648.75 |

| | | | | | |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Accumulated profit | 25,914.00 | 44,091.68 | 57,032.13 | 29,964.45 | 57,684.30 |
|--------------------|-----------|-----------|-----------|-----------|-----------|

10.2 PROJECTED CASH FLOW

This is shown in the financial statements. The project has a positive end of year cash flow from year, ie TSHS 100,000,000/= of operation to the 5th year ie TSHS 1,000,000,000/=

MOTOR VEHICLES BUSINESS PROJECTED CASH FLOW TSHS (PROJECT PAYBACK PERIOD)

| | - | 1 YEAR | 2 nd YEAR | 3 rd YEAR | 4 th YEAR | 5 th YEAR |
|---|---------|-----------|-------------------------|-------------------------|-------------------------|-------------------------|
| SOURCES | | | | | | |
| Profit before interest and depreciation | - | 47,611 | 52,372 | 57,609 | 109,218 | 152,905 |
| Equity | 673,000 | - | - | - | - | - |
| Total sources | 673,000 | 47,611 | 52,372 | 57,609 | 109,218 | 152,905 |
| Applications: | | | | | | |
| Capital expenditure | 638,000 | - | - | - | - | - |
| Working capital & others | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Cash | - | 12,611 | 17,372 | 22,609 | 62,618 | 93,199 |

| | | | | | | |
|---------------------------|---------|--------|--------|--------|-----------|-----------|
| Tax | - | - | - | - | 11,600.43 | 24,706.61 |
| Sub total | 673,000 | 47,611 | 52,372 | 57,609 | 109,218 | 152,905 |
| Total applications | 673,000 | 47,611 | 52,372 | 57,609 | 109,218 | 152,905 |
| Accumulated cash | | 12,611 | 29,983 | 52,592 | 115,210 | 208,409 |
| Necessary working capital | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |

11. PROJECT IMPLEMENTATION SCHEDULE

It is expected that the project will take 5 months to implement as shown below:-

| | ACTIVITY | PERIOD |
|----|--|-------------------------|
| 1. | Fund Mobilization | August - September 2022 |
| 2. | Arrival of renovation services and parts | September 2024 |
| 3. | Trial operations | October – 2025 |
| 4. | Commercial operations | November-2025 |

12. ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country

(i) Employment Opportunities

Employment and poverty reduction are among the major concern of the central and local government authorities. It is gratifying to note that Mwambaleo Investment Company Limited is going to provide employment to people. This is a significant contribution coming from investors.

(ii) Revenue to the Government

The project is expected to pay a substantial annual amount in the form of corporate tax and other taxes and levies.

13. CONCLUSION AND RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government ministries and agencies, including, Tanzania Revenue Authority etc. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.