

BREW MASTER LIMITED

BUSINESS PLAN

Contents

.....	1
Executive Summary.....	4
Objectives	7
Keys to Success	8
Mission	9
Company Summary.....	10
Start-up Summary.....	10
Start-up Requirements	10.
Company Ownership	11
Company Locations and Facilities	11
Company Values	11
Products.....	12
Product Description	12
Competitive Comparison	12
Macro-environment.....	13
Technology	13
Future Products	13
Fulfillment	14
SWOT Analysis	14
Strengths.....	14
Weaknesses	14
Opportunities.....	15
Threats.....	15
Market Analysis Summary	15
Market Segmentation.....	16
Target Market Segment Strategy.....	16
Market Trends	16
Market Needs.....	17
Industry Analysis.....	17
Competition and Buying Patterns	17
Main Competitors.....	17

Strategy and Implementation Summary 18

Value Proposition..... 18

Competitive Edge..... 19

Sales Strategy..... 19

 Sales Forecast 19

Marketing Strategy 19

Service Provision..... 19

Pricing Strategy 20

Promotion Strategy..... 20

Product Packaging 23

Corporate Social Responsibility..... 23

 Production Summary 24

 Suppliers 24

 Receiving..... 24

 Storage 24

 By-Products 25

Management Summary 25

 Management Team..... 25

 Personnel Plan..... 26

Training 27

Feedback and Control 27

Financial Plan 28

Projected Balance Sheet 29

Projected Profit & Loss Statement..... 30

Projected Cash Flow Statement..... 31

Assumptions of Projected Financial Statements..... 32

Year..... 32

Profit & Loss Statement Assumptions..... 33

Headcount Assumption 35

Internal Rate of Return 37

Payback Period 38

Conclusion 38

1. NAME OF THE COMPANY: BREW MASTER LIMITED
2. DATE OF INCORPORATION: 08 SEPTEMBER 2020
3. REGISTRATION NUMBER: 143287386
4. BUSINESS ACTIVITY: DISTILLING, RECTIFYING AND BLENDING OF SPIRITS
5. SHAREHOLDERS:

NAME	ADDRESS	NUMBER OF SHARES
Francis Ngauru Njoroge	Mbeya	400
Kaizer Mpumilwa	Mbeya	200
TOTAL		600

6. REGISTERED OFFICE & ADDRESS:
SIDO AREA, MBEYA
P. O. BOX 12938 MBEYA, TANZANIA
EMAIL: brewmaster20ltd@gmail.com
TELEPHONE: +255 754 875 409
7. BUSINESS (PROJECT) LOCATION: SIDO AREA MBEYA
8. ESTIMATED VALUE (CAPITAL) OF THE PROJECT: 2,500,000,000 (SHILLINGS TWO BILLION FIVE HUNDRED THOUSAND)
9. TOTAL ESTIMATED INVESTMENT CAPITAL (INTERNAL AND EXTERNAL): 2,500,000,000 (SHILLINGS TWO BILLION FIVE HUNDRED THOUSAND)
10. EXPECTED MANPOWER (LOCAL AND FOREIGN): LOCAL 94
11. NAMES AND SOURCE OF RAW MATERIALS:

ILLOVO DISTILLERS (I) LIMITED	(EXTRA-NEUTRAL ALCOHOL	KIDATU, MOROGORO	+255 232 626 193
POWER PACK	BOTTLES	ARUSHA	+255 755 418 480
NEELKANTH PACKAGING LTD.	BOXES	MKUIMNI INDUSTRIAL AREA, MKUYUNI	+255 785 691 708
LINEART SOLUTIONS LTD.	LABELS	NAIROBI	+254 722 763 844
CICPA	TRA STAMPS		

Executive Summary

Brew Master Limited is a medium-scale brewery that is located in the Sido industrial area of Mbeya, Tanzania. This is a relatively new business in its start-up phase having been incorporated and started operations recently.

Brew Master Limited is a privately funded company that is owned and run by Francis Njoroge and Kaizer Mpumilwa. They are both equal partners. Francis Njoroge and Kaizer Mpumilwa also hold stock positions as private investors.

Brew Master Limited is on the brink of penetrating a lucrative market in a rapidly-growing economy. The current trend towards an increase in the number of entrepreneurs and competition amongst existing companies presents an opportunity for Brew Master Limited to penetrate the market. Our products are positioned very carefully. They are of extremely high quality to ensure customer satisfaction, supported by impeccable service to our customers. Our primary goal is to establish and strengthen our license to trade, which is bestowed by the communities in which we function. As Brew Master Limited prospers and grows, these communities continue to benefit from both the value created by Brew Master Limited and its behavior as a corporate citizen.

Initial plans are to produce three main lines of products primarily focusing on hard drinks which comes in different flavors. These products are sold in different sized containers ranging from the 250 ml ginger beer to the 500 ml traditional beer. These products are extensively distributed to remote, yet extremely viable areas where the market is appreciative of readily available, good quality brew.

Smart Brew will produce products of high quality and impeccable taste. The company as aforesaid will produce two main lines of products, namely Pan Master Portable Spirit, Moon Light Vodka, and Golden King Brand. All three have unique properties that will enable them to excel on the market. We will also be watching for technological developments in Tanzania, Africa, and overseas, allowing us to be first on the market and produce high-quality products through cost-effective means. Besides, the company will select suitable products for production under license.

Total start-up capital and expenses came to approximately **345,000,000.00**. Start-up assets required and utilized included brewing plant and machinery, pick-ups, office furniture, personal computers and other office equipment. This figure comes to **4,900,000,000.00**.

To prosper there is need for Brew Master Limited to be flexible and responsive, to delight customers by providing them with what they want, when they want it and before the competition. From product concept to goods dispatch we intend to ensure that every policy and procedure, system and process must have the objective of improving the flexibility and response of the whole company. There is a need for interaction between all functional areas, particularly between

marketing and manufacturing, if the organization is to realize its full potential, with manufacturing being employed as a strategic weapon.

Our marketing strategy is based mainly on ensuring customers know what need the product is able to fulfill, and making the right product and information available to the right target customer. Hence we intend to implement a market penetration strategy that will ensure that we are well known and respected in our respective industry. We will ensure that our products' prices take into consideration people's budgets, and that these people appreciate the product(s) and know that it exists, including where to find it. However these prices will also take into consideration the cost of production and distribution so as to ensure that we remain viable and operational. The marketing effort will convey the sense of quality and satisfaction in every picture, every promotion, and every publication. Our promotional strategy will involve integrating advertising, events, personal selling, public relations and direct marketing. In the long term Internet marketing shall also be undertaken, details of which are provided in the marketing section of the following plan.

Our target markets will primarily constitute the corporate and working class who appreciate good quality hard drink. The working class will range from the entrepreneurs, who constitute a large portion of the market, to administrative personnel appreciative of good quality hard drink. The corporate or managerial segment will constitute those managers, who though aware of their image and reputation, want to put aside their ties and jackets after hours and/or on weekends to drink good quality hard drink, easily accessible in the urban areas. The common bond will be the appreciation of a good quality hard brew able to fulfill their thirst. Brew Master Limited is primarily targeting a market share in Tanzanian market to attain sales of approximately Tshs 23,040,000,000.00 in our initial year. Brew Master Limited will pride itself on its production ability, competitive prices, its high standards of quality and its adaptability to changes in the market and in the method of its practice.

We have a fully **automated 840,000.00** litre capacity brew house. Currently we are producing **300,000 litres**. The brewery is comparatively small in comparison to the huge giants of the beer industry but we want to brew interesting drinks and this size of kit is sufficient for us to do this. We always plan to grow the brewery and offer more drinks to our current and new customers out there. The journey has started.

It is important to recognize that we do not intend that our tangible resources alone will make us potent competitors but more so our intangibles, such as our ability to relate to consumers, management style, corporate culture and commitment. These elements will differentiate us from our competitors and contribute towards the development of a sustainable competitive advantage.

We intend to compensate our personnel well, so as to retain their invaluable expertise and to ensure job satisfaction and enrichment through delegation of authority. As an equal opportunity employer, we respect the diversity and human rights of our people, and strive to achieve optimal productivity, while realizing each employee's full potential. Awards will be given out to outstanding individuals, groups and plants for hard work and production so as to instill a sense of fun and promote the maintenance of high standards. By encouraging all employees close to

our customers to think tactically about what Brew Master Limited service offerings should be, and by having enthusiastic, capable and empowered people interacting with our customers, we build the competitive advantage of being able to meet our customers' needs better than anyone else.

Brew Master Limited intends to provide the customer with more than just a local brew. We intend to provide a quality brew that will not only be refreshing and pleasurable, but also encourage gatherings and sharing of fun. Our customers are assured of products that have been produced using the highest quality standards.

As we grow we want to grow right. Initially pursuing organic development and expansion we intend to undertake vertical integration in the future so as to be in total control of our raw materials and goods dispatch. For example, we realizing that we have to be in constant touch with our stakeholders to ensure market knowledge at all times. This is the nature of the channels we deal with. Also, we intend to build our management team correctly. We need the right people, in the right place, at the right time if we are to ensure optimum growth. We intend to develop our team so that our people can grow as the company grows– a mutually beneficial relationship. We shall strive to attain our primary goal, which is to develop and strengthen our license to trade, bestowed by the communities in which we function. As Brew Master Limited prospers and grows, these communities will continue to benefit from both the value created by Brew Master Limited and its behavior as a corporate citizen.

Objectives

Our business strategy will revolve around the need to provide quality brew to our various target customers, in the process fully satisfying their needs. This shall be undertaken through the implementation of high quality control standards and technological innovations, as well as the recruitment of a professional production and sales team, and the production of good quality marketing material designed to cater for various kinds of customers. This marketing material shall be professionally done so as to be reflective of our intended image and reputation. We shall position ourselves as a quality manufacturer that strives to provide quench fulfillment, enjoyment, reliability and a good image. We intend to establish a good rapport with all the relevant stakeholders.

With time we intend to establish our presence online, which will increase the knowledge of our products to the various market segments we shall be targeting. Online presence is a natural objective in reaching the appropriate potential customers. Well-done brochures, company profiles and business cards often has a triggering effect on clients contemplating on ordering our products. Hence this will undoubtedly generate increased sales of our products.

Our objectives will revolve around the following guiding principles:

- Provision of a great work environment, treating each other with respect and dignity.
- Apply high-quality standards of excellence to all business processes.
- Develop enthusiastically-satisfied customers all of the time.
- Contribute positively to our communities and our environment.

- To continuously formalize and measure cross-functional working communication so as to ensure that the various departments work harmoniously towards attainment of company objectives.
- To instill a culture of continuous improvement in beating standards of customer satisfaction and efficiency.
- Fully commit to supporting growth and development in the economy.

Ultimately we intend to create a stable business platform that will create prosperity for all those involved in the business venture at all levels, and to uplift unemployed Tanzanians who are prepared to participate in this venture.

Keys to Success

The keys to Brew Master Limited success will undoubtedly be effective market segmentation through identification of several niche markets and implementation strategies. Along these lines the company intends to implement advertising, personal selling and direct marketing strategies aimed at the target markets. Our advertising marketing strategies will rotate around. Hence our key success factors will include the following:

Excellence in Fulfilling the Promise: We intend to produce and provide products of uncompromised quality to our customers. This is so as to meet the needs and standards of our customers.

Effective and Efficient Distribution Network: The importance of such cannot be overemphasized in our line of business. We intend to establish an excellent distribution network that will enable us to rapidly respond to customers' orders, and be available in remote areas our competitor has not yet exploited.

Assembly Technology: To ensure quality brewed beverages it is essential to utilize the latest and most efficient assembly technology. Keeping abreast with technological developments will ensure we gain, and maintain, a competitive advantage utilizing the latest production techniques.

Loyalty and Dedication: The loyalty and dedication of our employees shall be essential to the prosperity of the organization. We recognize that Corporate commitment to success should lead to the survival and prosperity of the products, and ultimately the organization as a whole.

Marketing Know-how: In an increasingly competitive market there is need to aggressively market our business so as to be continuously at the top of our prospective and current client's minds.

Adherence to Stringent Values and Principles: Brew Master Limited needs to acknowledge the fact that the financial and strategic management of the business will ultimately determine its prosperity and success. Hence we intend to adhere to stringent values and principles that will enable such to be achieved.

Vision

Our vision is 'to ensure Brew Master Limited will be renowned for brewing excellent quality drinks as well as delivering fantastic customer service, by ensuring pride and passion underlines every brew and customer interaction'

Mission

Brew Master Limited intends to create a pleasant, enjoyable and sociable environment through the provision of refreshing high-quality brews. Hence we intend to assist in the creation of a welcoming and relaxed ambiance reflective of people enjoying themselves. We are sensitive to the taste, look and feel of good beer, as well as affordable prices depending on the market. We intend to provide the best possible value to our customers who care about quality products at affordable prices, and we want every money spent on our products to be well spent. Hence our value proposition is to sell the benefit of refreshes and enjoyment to our various consumers at reasonable prices.

Internally we intend to create and nurture a healthy, creative, respectful and enjoyable office and plant environment, in which our employees are fairly compensated and encouraged to respect the customer and the quality of the product we produce. In addition follow-up will be mandatory so as to ensure customer satisfaction and make any improvements as recommended by the customers in future. We seek a fair and responsible profit, enough to keep the company financially healthy for the short and long term, and to fairly compensate owners and investors for the money and risk.

We also intend to obtain ISO 9000 certification from ISO consultants so that our products are internationally recognized and approved. This will assist in our penetrating the regional and international markets, intentions of which we have in future. However this will occur after we have established ourselves on the local market. The above is well summarized in our mission statement which goes as follows:

Our mission is to carefully attend to detail in the hygiene in all our brews, and to uphold superb quality at all levels of production. To satisfy all our customers and stakeholders.

CORE VALUES

Finally we would like to discuss our values. To ensure we achieve our mission and vision the team at Brew Master Limited have agreed and signed up to 4 core values that underpin and define the journey we have embarked on.

QUALITY

Quality is at the forefront of every step that Brew Master Limited takes to ensure every single customer enjoys their interaction with our business.

PRIDE

Brew Master Limited are proud of our brand and products that are produced. We stand shoulder to shoulder as a team and remain proud of our colleagues that make Brew Master Limited it is today.

PASSION

We encourage fun, creative thinking and innovation.

EDUCATE

Brew Master will constantly learn from lessons as well as look at avenues to develop our colleagues and customers.

Company Summary

Brew Master Limited is a relatively new company providing high quality alcoholic beverages in the local market. Brew Master Limited intends to focus on the brewing process and the brewery itself. It will focus initially on providing and satisfying two kinds of markets:

- **Corporate Class:** This will constitute all those people in middle and top managerial positions who appreciate good quality traditional beer.
- **Working Class:** This will range from the entrepreneurs who constitute a large portion of the market to administrative personnel appreciative of good quality traditional beer.

As it grows it will take on people and expand into related markets. It will also look for additional leverage by establishing relationships and representations with appropriate strategic allies.

Start-up Summary

Total start-up capital and expenses came to approximately 345,000,000.00. Start-up assets required and utilized included brewing plant and machinery, pick-ups, office furniture, personal computers and other office equipment. This figure comes to 4,900,000,000.00.

INVESTMENT BREAK DOWN

INVESTMENT BREAK DOWN (TZS)

Land & Building	109,000,000
Plant & Machinery	3,200,000,000
Vehicles	200,000,000

Furniture & fittings	210,000,000
Pre-expenses	361,000,000
Others	374,000,000
Working capital	791,000,000
TOTAL	5,245,000,000

Company Ownership

Brew Master Limited is a Private Limited company incorporated at the Registrar of Companies through the foresight and vision of its founding directors namely Francis Njoroge and Kaizer Mpumilwa. Its fiscal year is the calendar year. Though it has only been in existence for two years realizes the potential market and opportunity for growth given implementation of the appropriate strategies, aided by the necessary finances.

Company Locations and Facilities

At present the company plants and offices are located in the growing industrial area of Sido Mbeya with intentions of establishing an additional plant in other parts of Tanzania, largely depending on the dictates of the market and the obtaining of land. Our current facilities provide offices, plants and machinery, office equipment and so on.

Company Values

Brew Master Limited is committed towards an open governance system whereby its activities are managed and undertaken ethically, transparently, and in the interests of all concerned stakeholders.

This shall be undertaken through implementation of the following company values:

- We intend to conduct our business ethically and transparently, respecting all applicable laws.

- We intend to be a responsible corporate citizen fulfilling our obligations as an integral member of society. Hence our business decisions shall give appropriate weight and consideration to social and environmental impacts.
- We intend to provide products of uncompromising quality to meet the needs of our customers.
- We intend to seek mutually beneficial and enduring relationships in all the commitments that we make, ensuring that they are straightforward and honest. Hence our communication shall be open and accurate, internally and externally.
- We intend to optimize the creation of wealth to provide fair reward and recognition for the contributions of our stakeholders.
- Ultimately we intend to uphold all the above company values, promoting our employees and respective third parties engaged by us to do likewise.

Through promotion and implementation of the above stated company values we believe that we will be able to attain our corporate and stakeholders' goals and objectives for the benefit of all concerned, in particular the communities in which we will operate.

Products

Brew Master Limited produces and markets several products. There are three main products currently in its production line. All products are periodically taken for testing to the Food Authority Laboratories for quality checks so as to ensure that they conform to required quality standards.

Product Description

Smart Brew will produce products of high quality and impeccable taste. The company as aforesaid will produce two main lines of products, namely Pan Master Portable Spirit, Moon Light Vodka, and Golden King Brand . All three have unique properties that will enable them to excel on the market. We will also be watching for technological developments in Tanzania, Africa, and overseas, allowing us to be first on the market and produce high-quality products through cost-effective means. Besides, the company will select suitable products for production under license.

Competitive Comparison

Identifying competition in terms of companies that fill the same needs that we do, our competitors are few in our main product lines, though dominant in the market. Hence there will be a need to strongly differentiate ourselves from these other businesses. However on a broader scale our competition comes in several forms:

1. The most significant competition is that of A Breweries, which the market leader is arguably. Having been on the market for a relatively long period of time added to the fact that they are backed by financial, technological and human resources acumen. They have a wide and established distribution network that they utilize to their advantage. Our key advantage in competition with A Breweries is that we are accessible in extremely remote areas. We intend to vigorously undertake new channel and distribution development in

addition to deploying aggressive marketing strategies. Also, strategic alliances shall assist in our attainment of goals and objectives.

2. Other manufacturers of traditional brews including homes and local bars will also constitute our competitors. They often have access to the local and remote areas and knowledge of these areas. However the product is not constantly of high standard, which we shall fully exploit.
3. On a larger scale manufacturers of other beverages including soft drinks also constitute competition, but of a generic nature, as people have to choose between them as refreshments. These products being marketed in supermarkets are often advertised on an extensive basis. To this end we intend to implement a strategy that will integrate the various promotional elements or tools such that our products are well known and appreciated on the market.

Macro-environment

At a large scale, market research demonstrates that the brewing industry market is growing and changing. Generally there is a trend toward more appealing and attractive brews as potential customers either are moving to the urban areas as a result of urbanization or are satisfied with an existing brew in their area. Research indicates that those in the rural areas are often satisfied with the existing brew due to lack of access to other higher-quality brews, whilst the new generation of executives being more educated and aware of the global environment wants to be seen drinking something attractive and recognized by others—status recognition. In addition this same market is not only more image conscious but appreciative of a quality brew as it is more selective. Therefore with the emergence of this generation of individuals, the appreciation of quality brews and packaging, dictates that our product lines will be popular.

Private sector development has been recognized as a vital ingredient in creating employment and training opportunities, and realizing the national goal of sustainable economic diversification. In addition to the country increasingly becoming a tourist destination, we foresee the demand for our products especially in the resorts and lodges where it will be promoted. Through undertaking of our professional business activities we foresee that it should not be too difficult to gain market acceptance provided we deliver the final product on time, of good quality, and at competitive prices.

Technology

Brew Master Limited will strive to maintain the latest and most efficient assembly technology so as to ensure quality-brewed beverages, and maintain low production costs ultimately benefiting the consumer. Keeping abreast with technological developments will ensure we gain and maintain a competitive advantage utilizing the latest production techniques.

Future Products

In putting the company together we have attempted to offer enough products to allow us to always be in demand by our customers and clients. The most important factor in developing

future products is market need. Our understanding of the needs of our target market segments shall be one of our competitive advantages. It is critical to our effort to develop the right new products. We also intend to have what we call a “core product engine” that will be the foundation of future products. This shall be established in time as we determine our core product. In the future, Brew Master Limited will broaden its coverage by expanding into additional markets and additional product areas. In doing so we will strive to ensure that it is compatible with the existing products and assembly technology.

Fulfillment

1. The key fulfillment and delivery will be provided by the principals and values of the business. The real core value will be the provision of a thirst quenching refreshing brew, provided by a combination of quality ingredients, good production techniques, hard work, and education (in that order). Hence we intend to ensure that the products we produce are always of high quality and standards, and available to the relevant target market.
2. We will turn to reliable farmers, suppliers and distributors who will assist in ensuring that the products are delivered timely and are of the highest quality. We will also rely on these stakeholders for relevant information on the market situation (trends, consumer tastes, feelings and comments amongst other things).

SWOT Analysis

We are in a highly lucrative market in a rapidly growing economy. We foresee our strengths as the ability to respond quickly to what the market dictates and to provide quality brew in a growing market. In addition, through aggressive marketing and quality management we intend to become a well-respected and known entity in our respective industry. Our key personnel have a wide and thorough knowledge of the local manufacturing market and expertise, which will go towards penetrating the market. However we acknowledge our weakness of a medium-sized company without a lot of experience, and the threat of new competition taking aim at our niche. Below are the summarized strengths, weaknesses, opportunities and threats.

Strengths

- Strategic market segmentation and implementation strategies.
- Diversified market segments: ensuring the lack of dependency on one particular market.
- Combination of skills in directorship. The directors intend to jointly develop business strategy and long-term plans, having wide experience in product and business know-how.
- Establishment and maintenance of strong capital base.
- An aggressive and focused marketing campaign with clear goals and strategies.

Weaknesses

- Lack of a reputation in comparison to our competitors.
- The introduction of new organizational practices and personnel who have not previously worked together presents a challenge to the company.
- A limited financial base compared to the major players in the industry.

- Lack of clear-cut channels of distribution.
- Establishment online will produce technological challenges.

Opportunities

- Specific niche: Appreciation for high-quality brew, enjoyment, and refreshment and integration therein.
- The new generation of individuals and families has a far greater appreciation of attractive packaging (image conscious).
- Current drive by government and specialized institutions such as the Tanzania Investment Centre (TIC) towards export of locally manufactured products.
- Online marketing and sales—though still in its infancy.
- Increasing number of foreign firms, looking at penetrating the market.

Threats

The present growth in the market may result in market saturation, through competition. This competition could emerge from a variety of given sources including:

1. Established mass-market companies' development of new lines and vertically integrating so as to be totally in control of supplies and products being sold on the respective markets.
2. New marketing strategies and tactics by established products and companies.
3. Existing competition.
4. Intolerable price increases by suppliers may occur.

Market Analysis Summary

Today we are experiencing rapid growth in the economy of unsurpassed nature. This has been brought about by amongst other things the macro-economic policies geared towards attracting foreign investors into the country. The fiscal and monetary policies of the government geared towards maintaining growth with social justice have largely contributed towards this, evidenced by our economy averaging a growth rate of 7%.

The current drive and emphasis by the government on diversification of the industrial base presents an opportunity for Brew Master Limited to make a valuable contribution towards achieving this goal. This will result in implementation of modern production techniques and transfer of knowledge. Having undertaken a thorough and comprehensive research of the market we realized that there was a need for a manufacturer that focuses on producing affordable thirst quenching brew tailored to satisfying client's needs. Though there are breweries currently on the market, some of whom have been in existence for a relatively long period of time, we believe that there is a market need for one that particularly focuses on the low to medium earning individuals. We intend to provide products of extremely high quality—something that cannot be over-emphasized in the international arena with the current drive towards globalization. The marketing mix of the products has been carefully and strategically put together to position them in the market.

Aware of the fact that we will be operating in a predominantly monopolistic market structure we intend to ensure that our marketing strategies are considerate of the importance of the fit between our products capabilities and benefits, and the target market, so as to develop a strong sustainable competitive position in the market. As a result we intend to implement a niche marketing strategy, focusing on certain target markets, particularly in view of other Breweries dominance on the market. Our initial overall target market share shall be 6% of the local market. This share will vary with the actual products, with ginger beer having a larger share than traditional beer due to its uniqueness.

We appreciate that entering such a market is not a bed of roses, particularly as it is monopolistic. Hence we intend to implement an aggressive marketing strategy, well supported by the other business functions. The above prognosis influenced our decision to enter the brewing industry.

Market Segmentation

Brew Master Limited will be focusing on the corporate and working class who appreciate good quality drink. The working class will range from entrepreneurs who constitute a large portion of the market, to administrative personnel appreciative of good quality beer. The corporate or managerial segment will constitute those managers who though aware of their image and reputation, want to put aside their ties and jackets after hours and/or on weekends to drink good traditional beer, easily accessible in the urban areas.

Our most important group of potential customers are those in the rural areas who often converge after hours to socialize and update one another on local news. These are potential customers who want to have an enjoyable time whilst drinking a good refreshing beverage. They do not want to waste their time making their own brew, but appreciate a good quality brew at a reasonable price.

We also intend to appeal to the foreign and local tourists who would be looking at experiencing traditional foods and drinks, a change from the usual beverages they often have.

Target Market Segment Strategy

Our marketing strategy will be based mainly on making the right product available to the right target customer. We will ensure that our products' prices take into consideration peoples' budgets, and that these people appreciate the product and know that it exists, including where to find it. The marketing will convey the sense of quality in every picture, every promotion, and every publication. There is already a sense of segment strategy in the way we define our target market. We are choosing to compete in areas that lend themselves to local competition, service and channel areas that match our strengths, and avoid our weaknesses.

Our strategy calls for the development of relationships with suppliers, distributors and retailers to support our business. Regular visits will be undertaken to these areas so as to ensure that we are meeting their expectations.

Market Trends

Our target markets are increasingly growing towards recognizing the difference between poor quality brews and those of high quality. This development is an important trend for us as it represents our target market. We now are having an increasing number of people who appreciate the traditional brews whilst living in the urban areas. With this in mind we intend to ensure that our packaging is respectable and attractive.

Today's extremely stressful work environment dictates that individuals consume healthy drinks especially in the summer season, this presents an opportunity that we may exploit, marketing the health aspect of our beverages.

Market Needs

Brew Master Limited will set out to provide good quality products that will help instill a jovial environment. Brew Master Limited intends to provide the customer with more than a drink to quench one's thirst. We intend to provide a quality brew that not only quenches one's thirst but enables one to enjoy themselves and be proud of it. The quality of raw materials and assembly technology evident in our products will serve to enhance the appearance of our customers, in turn adding to their status. The large market is due to the fact that opaque beer is traditional beer for most Tanzania . It is consumed for social, ritual and ceremonial purposes and hence appeals to a vast majority of the rural population in particular.

Industry Analysis

Industry analysis information is presented in the following subtopics.

Competition and Buying Patterns

The key element in purchase decisions made at the Brew Master Limited customer level is the availability of an affordable, thirst-quenching product of good quality. The most important factor in this market is the distribution network. This is particularly so considering the good distribution network that our competitors have in place enabling them to produce products that are constantly in demand throughout the country.

Main Competitors

Being in a predominantly monopolistic market structure, competition in the brewery manufacturing market as a whole is not that intense (in terms of numbers) at the current time due to the dominance of our competitors, who have been on the market for a relatively long period of time. Cognizance should also be taken of home brewers who represent competition on our intended market. However upon closer research we identified several niches in the market that we may exploit, not wanting to confront our competitors one-on-one.

In general, our competition will be stiff, as we intend to penetrate the low to medium earning customer. At the same time we shall be differentiating ourselves from others. We intend to market ourselves in such a way that with time competitor customers will choose our products over competitors' on the basis of our higher quality, thirst-quenching brews. We shall now provide a more thorough outline of our main competitors in the same strategic group as ourselves, including their strengths and weaknesses.

Strategy and Implementation Summary

Our marketing strategy emphasizes focus. This will be the key. We are a relatively new company and hence must focus on certain kinds of products with certain kinds of consumers. Initially Brew Master Limited will focus on the local market and in the remote and previously inaccessible areas where there is a large market for our products. Hence the form of growth that shall be initially pursued will be that of organic growth mainly due to limited resources and the need to instill confidence in our products. The target customers will include key decision-makers in the retail and supermarket chains who often order or recommend on behalf of the whole organization, the aim being to obtain an initial order and fully satisfy the customer from then on.

- We are currently building image and awareness through consistency and distinctiveness in our product provision.
- We intend to focus on delivering quality products that in turn produce good referrals, which can then generate revenue. We intend to always have a relatively heavy personal selling component to our marketing strategy as previously discussed. Hence we intend to always be active in personal relationships with clients and strategic allies keeping abreast of their needs and wants.
- We are focusing advertising on several key media.

We intend to achieve growth by creating a more enthusiastic customer culture than that of our competitors. All criteria from price competitiveness to staff attitudes are to be initially measured six-monthly, and then on a more regular basis as time goes on. The results will go down to depot level and be compared with the overall target. This form of consistent measurement of strategic goals will ensure that the organization remains focused on its goals and objectives, making any necessary adjustments where need be.

Value Proposition

Our value proposition is offering our customers refreshness and enjoyment at reasonable prices ensuring peace of both body and mind. Hence we intend to:

1. Market the benefit, not the product.
2. Ensure customer satisfaction.
3. Develop long relationships.
4. Market the company.

This value proposition shall be communicated through advertisements, personal selling, sales literature and catalogues, and referrals that emphasize how the company is able to provide refreshment, enjoyment and fulfillment to the customers.

Competitive Edge

Our competitive edge will be our dominance of access to previously remote areas, customer orientation and traditional high-quality brew through stringent quality control. Although main competitors dominate the local market, it does not penetrate the remote areas as much as we intend to. Though we shall be serving different market segments we intend to focus on.

Sales Strategy

We intend to focus on improving our implementation, by working on key objectives and better coordination of marketing efforts. For the short term at least, the selling process will depend on personal selling and advertising to lure and inform potential clients about the products we offer and the benefits of consuming our products. Our marketing does not intend to affect the perception of need as much as knowledge and awareness of the product categories.

Sales Forecast

The sales forecast monthly summary is included below. The annual sales projections are included later in the plan. It should be noted that as we become established and known on the market we project sales to increase at a faster rate than the initial year.

Sales	Year 1
Product one	10,368,004,714.79
Product two	8,294,394,342.26
Product three	4,377,600,942.96
Total Sales	1,466,026.00
Direct Cost of Sales	Year 1
Product one	5,806,087,040.75
Product two	4,644,866,489.41
Product three	2,451,453,384.86
Subtotal Direct Cost of Sales	12,902,406,915.02

Marketing Strategy

One core element of our marketing strategy will be that of differentiation from our competitors. In terms of promotion, we intend to sell our company as a differentiated strategic ally, not just our products. In price, we intend to offer extremely reasonable prices in comparison to the competition and we need to be able to sustain that. Market penetration through lower prices shall be undertaken where need be, while premium pricing will be the case of the upper-end of the market.

Service Provision

The service aspect of Brew Master Limited marketing mix shall constitute an important element in delivering total quality. This is due to the high degree of exposure our competitors already have. As such we intend our customer service to be key to the retention of customers. We shall follow-up with our clients on a regular basis so as to ensure they are satisfied with our products and delivery times. This is mainly because we intend our customers not to be one-time buyers but regular order seekers. The establishment of a rapport and understanding between our customers and ourselves is going to be an ongoing processes.

We intend to implement database marketing whereby we shall be targeting customers based on their previous purchases, in terms of size, frequency and actual products, so as to forecast their demands and establish long beneficial relationships. Customer service shall be enhanced through infrastructure support in the form of merchandising and credit facilities, and alternative distribution facilities where possible and viable.

Pricing Strategy

Initially our prices will not be under our control but dictated by the market conditions prevailing at the particular time. This is particularly so in the case of products which are also produced by our competitors, as they are often representing a scale for consumers. However we realize that we must charge appropriately for the quality and work we shall be providing, in addition to the distribution of the products. Hence we intend the price will accommodate the mark ups prevailing in the industry, as well as our own costs. To be competitive in the market we intend to offer discounts to customers making bulk orders, which are in competition with the industry. This will also assist in the establishment of customer loyalty.

We intend our income structure to match our cost structure, so as to ensure that the salaries we pay to assure good workmanship is balanced by the price we charge. We will make sure that we charge for the product, workmanship and delivery with our aim being to achieve a gross profit margin of at least 30% in our initial years of operation. All in all we intend our prices to be extremely competitive on the market.

Promotion Strategy

Our promotion strategy will be based primarily on informing potential customers of our existence and making the right information available to our target customer. Since we shall be targeting different segments, the promotional tools and messages may vary slightly to match the intended market. However in all cases the marketing will convey the sense of quality, refreshes and health in every picture, every promotion and every publication. Promotional campaigns will seek to promote the 'sharing aspect' of the beer, customers drinking these products in groups. Our promotional activities shall be focused towards driving the organization's overall strategy relentlessly, developing internal consistency and prepare it to confront any radical changes that may arise. In such a market we cannot afford to appear in, or produce, second-rate material that make our products look less than they are. We intend to leverage our presence using quality brochures and other sales literature, including promotional material such as pens,

complimentary slips and stickers. Due to the fact that our products are in the introductory phase on the market, promotional expenses are high in order to generate customer attention and knowledge of our products existence.

We intend to spread the word about our business through the following:

Advertising

In view of the fact that we are entering a market largely dominated by competitors who have large percentage of market share we intend to undertake extensive advertising of our products in addition to our brand name–company name. This is so as to instill awareness and knowledge of our existence in the market place, which hopefully shall convert into market share. Hence the need to ensure that our products are constantly available to our target market, and of consistent high quality. Whilst we are committed to providing products of uncompromising quality to meet the needs and expectations, the company believes its products should be advertised and promoted in an honest and ethical manner that respects the values of our consumers' societies. A constant look out will also be made of any special editions in the local media, which may provide an opportunity to advertise.

Events

These are increasingly becoming important as more firms establish in the country and hence the need to be known. The organization aims to participate in trade shows and quality taste tests. Not only will these increase awareness of the products, but if a particular product were to gain recognition, for example through being chosen #1 at a taste test, the organization will be able to take advantage of this in all its promotional campaigns, adding leverage to its reputation and image. Undoubtedly this would add confidence and pride in our staff complement as their hard work would be recognized often at the highest levels. Communicating such achievements often gives customers a feeling that they can rely on the product, and this builds strong customer loyalty. An example of a trade show we intend to participate at is Nane Nane. The aim of this exhibition is to provide a conducive environment for companies to display their products in a specialized exhibition. The exchange of technologies, ideas, and contacts will serve as a fertile ground for the blooming of healthy trade relationships and partnerships.

We also intend to participate at other national Trade Fairs so as to expose our business to potential customers and suppliers. Such fairs serve as important eye openers for both potential customers and ourselves. With time it shall be necessary for us to participate in regional trade shows and fairs so as to gain awareness and ultimately orders from outside the country.

Public Relations

Recognizing that we are relatively new on the market there will be a need to organize an event, of grandeur nature, introducing ourselves onto the market. At this we intend to invite potential customers, senior officials, including the Minister of Industry and Commerce, and other stakeholders so as to penetrate the market. In collaboration with this we also intend to place news stories and features in magazines and newspapers to keep stakeholders updated on the latest developments and to increase awareness. We also plan to have a major festival appropriately named, that maintains and promotes Tanzania culture. This will assist in the recognition and appreciation of our company in the surrounding community especially. Our efforts on community service will show that the company has its community at heart, contributing towards the establishment of a good and reputable image. Homes for the underprivileged will be also be built in the medium, to long term as we plough back into the society we operate in. In addition we intend to pursue educational sponsorship for the less advantaged but promising young individuals in the community. This will constitute some of our corporate social responsibility details of which are provided in the respective section.

We also intend to experiment with a road show in the various often-neglected remote areas giving out caps, bags, and other such prizes to individuals who answer questions correctly. This will also enable our business name and products to be better known by the respective communities. However we are extremely confident that these road shows if well planned will be a success as they encourage community participation. Brewery tours shall also be arranged with interested stakeholders including school children and college students. This is so as to increase awareness of our facilities and products and also showing confidence in our production process and standards. Hopefully visitors will leave impressed and confident in our products, adding to the possibility of positive referrals. These same tours will also be arranged with prospective clients or order-takers.

Still in the infancy idea stage we have in mind the hosting of a 'fest' whereby guzzlers of our brews as well as first-timers are encouraged to drink as much as possible whilst enjoying themselves. This is likely to be held in the hottest month of the year when people are often extremely thirsty. Hence the name 'October fest' might be appropriate. Proceeds of such festivities are to be donated to charities.

Personal Selling

This shall be undertaken in the form of sales calls whereby a sales person will go out to potential customers and distributors informing them what products we are able to offer them. In addition the sales person will listen to client's needs at close hand, so as to ensure that the product is delivered timely and that it is the right product as demanded by the surrounding community. Close analysis shall also be undertaken of the consumption patterns of the respective communities, that is whether they prefer larger or smaller containers. This will ensure that our products are customized as much as possible to the surrounding community's needs and wants. In cases where there is the opportunity of obtaining a large order it may be necessary for the top management to go out personally, especially considering the fact that we are still a relatively new firm in the market.

Direct Marketing

This will be used, but only to a limited extent, in the form of direct marketing and informing potential customers and obtaining referrals where possible. In the case of direct marketing it will involve our targeting potential customers and distributors of our products and informing them of our existence and the products we offer. We may then arrange for an appointment with the respective decision-maker or order-maker, with the intention being to lure them into ordering one or more of our product lines.

Internet Marketing

The increasing growth of the Internet as an information source provides an opportunity that we may exploit. This is particularly so in view of the increasing investment and global trade amongst countries, as both large and small organizations look at obtaining the best deal possible. More often than not these organizations will seek out potential clients over the Internet due to the cost of transport and accommodation, apart from the obvious time factor, which is increasingly becoming of importance in view of the dynamic environment. However this will require adequate planning and research so as to establish a professionally done website. This will mainly serve foreign customers and other stakeholders including potential investors.

In all the above we intend to communicate our ability to manufacture good quality brews that will satisfy the customer's needs. Hence our messages will influence the buying decision of prospective customers and distributors by emphasizing our unique selling proposition, and persuade prospective buyers that we are different from our competitors. All the above promotional tools shall be well integrated and utilized in tandem so as to maximize their effect.

Product Packaging

Our product packaging shall be of utmost importance, as it will definitely influence our potential customers on whether to try out our products or not. As such we shall ensure that it is not only attractive to consumers but also hygienic. As time progresses we intend to have packaging that enables the container to be used for other purposes after beer consumption, for example keeping water and being able to be deposited to retailers, the former of which we have identified as already being done. In the medium to long term we intend our product packaging to also be recyclable and hence more environmentally friendly—a continuous improvement process. Continuous improvement on packaging will also be undertaken so as to maintain, if not improve product appeal.

Corporate Social Responsibility

Brew Master Limited intends to be involved in a wide range of social responsibility engagement programs to invest back into the community in which we operate. Through our social responsibility program we can assist in improving peoples lives. If we contribute to development in a sustainable way, we need to support projects that communities bring to us, rather than strictly creating our own solutions for our communities. This is because if we impose our solution

and drive a project it is an artificial response, and the risk is that the project will then always 'belong' to us. Whenever the project comes up against a new challenge, we will be expected to fix it, and will be forced to stay in a situation where we have to look after the same few projects forever. Rather we intend to fund several projects that belong to, and will be driven by, the community and become sustainable. However, before we commit ourselves to projects we intend to ensure that skills will be transferred, communities are involved and the projects will be able to become self-sustaining. We know that we cannot address all the development needs of our society. Where we can, we assist and sometimes may form partnerships so as to increase capacity.

Production Summary

Our production system shall strive to attain service excellence in addition to manufacturing safe, quality products. This shall be undertaken through the engagement of modern production techniques using up-to-date assembly technology. This will also result in low production costs being attained by the company. We also intend to ensure that the suppliers we engage are committed and reliable so as not to let down the final consumer in terms of the quality of the product and time of delivery.

In order to improve productivity in our plants we intend to reduce waste and duplication in our breweries by streamlining administrative functions and promoting and instilling a business culture that focuses on the teamwork rather than individual productivity. By the undertaking the above we will optimize our productivity given our available resources.

Suppliers

Currently the company obtains the vast majority of its raw materials from Tanzania suppliers. Hence we intend to establish good rapport with all our suppliers and hence long mutually beneficial business relationships. This shall be undertaken through working closely with suppliers to ensure uninterrupted deliveries.

Receiving

Recognizing that the receiving of our raw materials is an essential element in our entire business, we intend to ensure that it is done by responsible persons who will be present during off-loading to check the quantity and condition of the consignment. During the actual off-loading the receiving bay personnel will mass check on at least some percentage of the consignment. Non-confirming raw materials in terms of quality will only be approved with the consent of the managing director who would have undertaken further analysis of it.

Storage

It shall be the policy of the company to ensure that all raw materials are stored in a secure, clean and pest free manner. Stock takes and reconciliations shall be undertaken on a regular basis,

initially done at least once a week. The stock principle of First In First Out (FIFO) shall be implemented. Whenever stock is taken out it shall be recorded on a separate stock or bin card, with reconciliations of raw materials issued to the brewery, issued to production, losses, opening and closing stock taken. Should any deviations arise these must be explained.

By-Products

Brew Master Limited intends to utilize every resource it has to the fullest possible extent. We realize that there shall be a lot of by-products that will be produced from our production of the main product lines. However not wanting to pollute the environment, and our community at large, we plan to utilize by-products whenever possible. This will ensure that our resources are fully utilized.

Management Summary

Brew Master Limited shall evaluate the jobs it provides, paying competitive remuneration packages against market benchmarks to employees for their agreed and set out tasks. Consonant with its efforts to create added value by employees, Brew Master Limited seeks to negotiate the provision of incentive pay delivery mechanisms against achievement of agreed targets relating to accomplishment in the areas of productivity enhancement, savings and other specific successes, that is, the implementation of an effective performance management system.

Hence our human resources strategy will revolve around:

- Communicating openly and transparently; addressing strong and trusted:
 - Internal communication.
 - External communication.
 - Stakeholder inclusivity.
- Responding and promoting human rights issues, such as equity in the workplace and in community relations.
- Adoption of a good remuneration policy aimed at developing our people through employee benefits, training and group initiatives.
- Maintaining preventative health and safety structures for employees and support for surrounding communities.

Management Team

The management team, mainly comprising of the shareholders, has wide expertise and broad knowledge of the products and markets, which if well planned for, will enable the business to realize its goals and objectives. Management style will reflect the participation of the shareholders. The company intends to respect its community and treat all employees well. We will develop and nurture the company as community. We do not intend to be overly hierarchical.

Management’s ongoing initiatives to drive sales, market share and productivity will provide additional impetus.

Personnel Plan

We intend to compensate our personnel well, to retain their invaluable expertise and to ensure job satisfaction and enrichment through delegation of authority. Our compensation will include health care, generous profit sharing, plus a minimum of three weeks’ vacation. As an equal opportunity employer, we respect the diversity and human rights of our people, and strive to achieve optimal productivity, while realizing the full potential of each employee. Awards will be given out to outstanding individuals, groups and plants for hard work and production so as to instill a sense of fun into the work and promote the maintenance of high standards. Brew Master Limited recognizes that our employees contribute fundamentally to the company’s long-term prosperity. We intend to enhance our capacity to attract and retain people of quality, through benefits such as housing and family education grants.

Employee health shall be of extreme importance. This is because the health of our people is an integral element of employee well-being at work and at home. Compliance with relevant legislation is a minimum target in our organization. We also intend to minimize if not totally eliminate the number of isolated incidents of intimidation in the workplace, so as to ensure that production and distribution are not materially affected and sound relationships are maintained between employee and employer and between employees as a whole.

Personnel Plan

Year		Year 1	Year 2	Year 3	Year 4	Year 5
Currency						
Payroll Cost						
	Cost Centre					
Directors	<i>Administration</i>	6	6	6	6	6
General Manager	<i>Administration</i>	1	1	1	1	1
Head Brewer	<i>Cost of Goods Sold</i>	1	1	1	1	1
Shift Brewer	<i>Cost of Goods Sold</i>	1	1	1	1	1
Plant Operator	<i>Cost of Goods Sold</i>	1	1	1	1	1
Technicians	<i>Cost of Goods Sold</i>	1	1	1	1	1
Laboratory Technicians	<i>Cost of Goods Sold</i>	1	1	1	1	1
Labor	<i>Cost of Goods Sold</i>	70	70	70	70	70
Marketing Executive	<i>Selling & Marketing</i>	1	1	1	1	1
Sales Manager	<i>Selling & Marketing</i>	1	1	1	1	1
Store Clerks	<i>Selling & Marketing</i>	1	1	1	1	1
Depot Manager	<i>Selling & Marketing</i>	1	1	1	1	1
Depot Attendants	<i>Selling & Marketing</i>	1	1	1	1	1
Personnel Off.	<i>Administration</i>	1	1	1	1	1

Personnel Clerks	<i>Administration</i>	1	1	1	1	1
Secretary	<i>Administration</i>	1	1	1	1	1
Security	<i>Administration</i>	1	1	1	1	1
Drivers	<i>Administration</i>	1	1	1	1	1
Messengers	<i>Administration</i>	1	1	1	1	1
Cleaner	<i>Administration</i>	1	1	1	1	1
TOTAL		94	94	94	94	94

Brew Master Limited will be slow to hire people in the first year of operation, but very loyal to those who are hired. As the company grows, we intend to hire employees with relevant skills and reward them accordingly. From that point, we intend to increase the number of employees as opposed to increasing more responsibilities of each employee.

Training

In-house training shall be continuous with regular external training being undertaken particularly following any new developments in the market. This is so as to ensure that we are continuously able to anticipate our markets needs—a proactive approach, which is so essential if we are to gain and maintain a competitive advantage. Courses on brewing will be undertaken primarily in South Africa, preferably with the established and reputable firms, such as YY Breweries. This will ensure that our personnel are exposed to the latest production techniques and are able to set their standards, or benchmark, using these organizations standards. Internal training will not only include product and technical aspects, but also expand to give much greater knowledge of customers, market trends, products, new technology aids, time management amongst other such variables. We intend to conduct health education sessions for groups and individuals on health risks in the workplace, balanced with lifestyle education and employee assistance programs that incorporate rehabilitation and counseling in a range of illnesses and social or personal problems. This is of particular importance in view of the AIDS epidemic that has grappled the country and continent as a whole to unparalleled levels.

We acknowledge the fact that successful recruiting, motivation and discipline procedures are keys to the growth of the organization. Hence we intend to promote and maintain good labor relations, strong morale and high quality work per employee.

Feedback and Control

1. We intend to use employee satisfaction surveys to shape the business, making sure that the employee understands the goals of the firm, is customer focused, proud of their work and work as a team. This will encourage employees to become entrepreneurial and customer responsible, in addition to unifying staff in customer focus and values.

2. Important notices and developments will be continuously communicated to employees so as to keep them abreast of developments and promoting a sense of belonging and oneness in the organization.
3. We will encourage our employees to put forward any suggestions they might have regarding the improvement of any of the company's functions—an open door philosophy. Such a culture will enhance innovativeness and creativity in turn leading to job satisfaction and enrichment.

Financial Plan

We want to finance growth mainly through cash flow and equity. We recognize that this means we will have to grow more slowly than we might like.

The essential factor in our case is collection days, particularly with the bulk order customers. We can't push our customers hard on collection days, because they are susceptible and will generally judge us on our terms. Hence they tend to have a certain degree of financial authority. Therefore, we need to develop a permanent system of receivables financing systems, using a well-coordinated accounting department. In turn, we intend to ensure that our investors are compatible with our growth plan, management style, and vision.

Compatibility in this regard means:

- A fundamental aspect of giving value to our customers and for maintaining a healthy and pleasant workplace.
- Respect for realistic forecasts and conservative cash flow and financial management.
- Cash flow as the priority, growth second, profits third.

Willingness to follow the company and contribute valuable input to strategy and implementation decisions.

Based on the nature of the industry, the Financial Statements have been projected for five years. These projections have been formed based on assumptions, which are explained in the next parts of this report.

Projected Balance Sheet

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Currency	USD	USD	USD	USD	USD
Share Capital	2,228,399	2,228,399	2,228,399	2,228,399	2,228,399
3rd Party Investment	-	-	-	-	-
Reserves	1,749,973	5,088,602	10,317,095	17,794,571	27,310,427
Total Equity	3,978,373	7,317,002	12,545,494	20,022,971	29,538,826
Long Term Liabilities					
Bank Loan	18,050,035	16,044,476	14,038,916	12,033,357	10,027,797
	18,050,035	16,044,476	14,038,916	12,033,357	10,027,797
Current Liabilities					
Other Payables	191,363	200,932	210,978	221,527	232,603
Total Equity & Liabilities	22,219,772	23,562,409	26,795,389	32,277,855	39,799,227
Fixed Assets	17,799,091	17,354,114	16,920,261	16,497,254	16,084,823
Current Assets					
Rent Security	501,087	501,087	501,087	501,087	501,087
Receivables	786,059	968,536	1,188,071	1,451,675	1,690,777
Cash in Hand	3,133,535	4,738,672	8,185,970	13,827,839	21,522,540
Total Assets	22,219,772	23,562,409	26,795,389	32,277,855	39,799,227

Projected Profit & Loss Statement

Year Currency	Year 1 USD	Year 2 USD	Year 3 USD	Year 4 USD	Year 5 USD
Revenue	13,100,976	16,142,274	19,801,189	24,194,578	28,179,615
Cost of Goods Sold	5,726,400	6,894,000	8,291,916	9,963,416	11,486,552
Gross Profit	7,374,576	9,248,274	11,509,273	14,231,163	16,693,063
Administrative Expenses	1,959,456	2,057,428	2,160,300	2,268,315	2,381,731
Selling & Marketing Expenses	336,906	353,751	371,439	390,011	409,511
EBITDA	5,078,214	6,837,094	8,977,535	11,572,837	13,901,821
Depreciation	456,387	444,977	433,853	423,007	412,431
EBIT	4,621,827	6,392,117	8,543,682	11,149,830	13,489,389
Finance Cost	2,406,671	2,166,004	1,925,337	1,684,670	1,444,003
Net Profit Before Share of Investor	2,215,156	4,226,113	6,618,345	9,465,160	12,045,386
Share of Profit to Investor	-	-	-	-	-
EBT	2,215,156	4,226,113	6,618,345	9,465,160	12,045,386
Tax	465,183	887,484	1,389,852	1,987,684	2,529,531
Net Profit	1,749,973	3,338,629	5,228,492	7,477,477	9,515,855

Projected Cash Flow Statement

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Currency	USD	USD	USD	USD	USD
Cash Flow From Operating Activities					
Profit After Tax	1,749,973	3,338,629	5,228,492	7,477,477	9,515,855
Add:					
Depreciation	456,387	444,977	433,853	423,007	412,431
Adjusted Profits	2,206,360	3,783,606	5,662,345	7,900,483	9,928,287
Changes in Working Capital (Increase) / Decrease in Current Assets					
Rent Security	(501,087)	-	-	-	-
Receivables	(786,059)	(182,478)	(219,535)	(263,603)	(239,102)
Increase / (Decrease) in Current Liabilities					
Other Payables	191,363	9,568	10,047	10,549	11,076
Changes in Working Capital	(1,095,782)	(172,910)	(209,488)	(253,054)	(228,026)
Cash Flow From Operating Activities	1,110,578	3,610,697	5,452,857	7,647,429	9,700,261
Cash Flow From Investing Activities					
Increase in Fixed Assets	(18,255,478)	-	-	-	-
Cash Flow From Investing Activities	(18,255,478)	-	-	-	-
Cash Flow From Financing Activities					
Issue of Share Capital	2,228,399	-	-	-	-

3rd Party Investment	-	-	-	-	-
Bank Loan	18,050,035	(2,005,559)	(2,005,559)	(2,005,559)	(2,005,559)
Cash From Financing Activities	20,278,435	(2,005,559)	(2,005,559)	(2,005,559)	(2,005,559)
Opening Balance	-	3,133,535	4,738,672	8,185,970	13,827,839
Activity During Period	3,133,535	1,605,137	3,447,297	5,641,869	7,694,701
Closing Balance	3,133,535	4,738,672	8,185,970	13,827,839	21,522,540

Assumptions of Projected Financial Statements

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Currency	USD	USD	USD	USD	USD
Owner	2,228,399	2,228,399	2,228,399	2,228,399	2,228,399
Share Capital	2,228,399	2,228,399	2,228,399	2,228,399	2,228,399
Investment Amount	-	-	-	-	-
Opening	-	18,050,035	16,044,476	14,038,916	12,033,357
Addition	20,055,595	-	-	-	-
Re Payment	2,005,559	2,005,559	2,005,559	2,005,559	2,005,559
Closing	18,050,035	16,044,476	14,038,916	12,033,357	10,027,797
Interest Expenses	2,406,671	2,166,004	1,925,337	1,684,670	1,444,003
	<i>Dep Rate</i>				
Pre-operational Expenses	2.50%	9,119,175	-	-	-
Equipment	2.50%	9,136,303	-	-	-

Pre-operational Expenses

Opening		8,891,196	8,668,916	8,452,193	8,240,888
Addition	9,119,175	-	-	-	-
Depreciation	227,979	222,280	216,723	211,305	206,022
Net Assets	8,891,196	8,668,916	8,452,193	8,240,888	8,034,866

Equipment

Opening	-	8,907,895	8,685,198	8,468,068	8,256,366
Addition	9,136,303	-	-	-	-
Depreciation	228,408	222,697	217,130	211,702	206,409
Net Assets	8,907,895	8,685,198	8,468,068	8,256,366	8,049,957
Total Addition	18,255,478	-	-	-	-
Total Depreciation	456,387	444,977	433,853	423,007	412,431
Total Net Assets	17,799,091	17,354,114	16,920,261	16,497,254	16,084,823

Profit & Loss Statement Assumptions

Year Currency	Year 1 USD	Year 2 USD	Year 3 USD	Year 4 USD	Year 5 USD
Revenue					
Production in hectoliters	100800	124200	152352	186155	216816
Products					
Production Mix					
Beer 500 ml	55440	68310	83793.6	102385.30 5	119249
Beer 330 ml	45360	55890	68558.4	83769.795	97567

Quantity in Cases

Beer 500 ml	554400	683100	837936	1023853	1192490
Beer 330 ml	549818	677455	831011	1015391	1182634

Annual Revenue

Beer 500 ml	7,173,936	8,839,314	10,842,892	13,248,658	15,430,816
Beer 330 ml	5,927,040	7,302,960	8,958,298	10,945,920	12,748,798

Revenue	13,100,976	16,142,274	19,801,189	24,194,578	28,179,615
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Payroll Cost	888,000	932,400	979,020	1,027,971	1,079,370
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<u>Direct Cost</u>	4,838,400	5,961,600	7,312,896	8,935,445	10,407,182
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Total CGS	5,726,400	6,894,000	8,291,916	9,963,416	11,486,552
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Payroll Cost	1,017,600	1,068,480	1,121,904	1,177,999	1,236,899
Office Rent	240,000	252,000	264,600	277,830	291,722
Utilities	146,739	154,076	161,780	169,869	178,362
Payrol Taxes	99,078	104,032	109,234	114,695	120,430
Insurance	296,739	311,576	327,155	343,513	360,688
Miscellaneous	159,299	167,264	175,627	184,409	193,629

Total Admin Cost	1,959,456	2,057,428	2,160,300	2,268,315	2,381,731
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Payroll Cost	240,000	252,000	264,600	277,830	291,722
Sales Vans	46,800	49,140	51,597	54,177	56,886
Sales labour	18,000	18,900	19,845	20,837	21,879
Free Samples	2,106	2,211	2,322	2,438	2,560
Radio	18,000	18,900	19,845	20,837	21,879
Print Media	12,000	12,600	13,230	13,892	14,586

Total Selling & Marketing Expenses	336,906	353,751	371,439	390,011	409,511
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Head count Assumption

Year Currency	Year 1 USD	Year 2 USD	Year 3 USD	Year 4 USD	Year 5 USD
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Payroll Cost

	<i>Cost Centre</i>				
Directors	<i>Administration</i>	6	6	6	6
General Manager	<i>Administration</i>	1	1	1	1
Head Brewer	<i>Cost of Good Sold</i>	1	1	1	1
Shift Brewer	<i>Cost of Good Sold</i>	1	1	1	1
Plant Operator	<i>Cost of Good Sold</i>	1	1	1	1
Technicians	<i>Cost of Good Sold</i>	1	1	1	1
Laboratory Technicians	<i>Cost of Good Sold</i>	1	1	1	1
Labour	<i>Cost of Good Sold</i>	70	70	70	70
Marketing Executive	<i>Selling & Marketing</i>	1	1	1	1
Sales Manager	<i>Selling & Marketing</i>	1	1	1	1
Store Clerks	<i>Selling & Marketing</i>	1	1	1	1
Depot Manager	<i>Selling & Marketing</i>	1	1	1	1
Depot Attendants	<i>Selling & Marketing</i>	1	1	1	1
Personnel Off.	<i>Administration</i>	1	1	1	1
Personnel Clerks	<i>Administration</i>	1	1	1	1
Secretary	<i>Administration</i>	1	1	1	1
Security	<i>Administration</i>	1	1	1	1
Drivers	<i>Administration</i>	1	1	1	1
Messengers	<i>Administration</i>	1	1	1	1
Cleaner	<i>Administration</i>	1	1	1	1

Basic Salary - Annual Rate

	<i>Increase</i>	5%	5%	5%	5%	
Directors	<i>Administration</i>	10,000	10,500	11,025	11,576	12,155
General Manager	<i>Administration</i>	7,000	7,350	7,718	8,103	8,509
Head Brewer	<i>Cost of Good Sold</i>	5,000	5,250	5,513	5,788	6,078
Shift Brewer	<i>Cost of Good Sold</i>	5,000	5,250	5,513	5,788	6,078
Plant Operator	<i>Cost of Good Sold</i>	5,000	5,250	5,513	5,788	6,078

Technicians Laboratory	<i>Cost of Good Sold</i>	5,000	5,250	5,513	5,788	6,078
Technicians Labour	<i>Cost of Good Sold</i>	5,000	5,250	5,513	5,788	6,078
Marketing Executive	<i>Cost of Good Sold</i>	700	735	772	810	851
	<i>Selling & Marketing</i>	5,000	5,250	5,513	5,788	6,078
Sales Manager	<i>Selling & Marketing</i>	5,000	5,250	5,513	5,788	6,078
Store Clerks	<i>Selling & Marketing</i>	3,000	3,150	3,308	3,473	3,647
Depot Manager	<i>Selling & Marketing</i>	4,000	4,200	4,410	4,631	4,862
Depot Attendants	<i>Selling & Marketing</i>	3,000	3,150	3,308	3,473	3,647
Personnel Off.	<i>Administration</i>	3,000	3,150	3,308	3,473	3,647
Personnel Clerks	<i>Administration</i>	3,000	3,150	3,308	3,473	3,647
Secretary	<i>Administration</i>	4,000	4,200	4,410	4,631	4,862
Security	<i>Administration</i>	2,400	2,520	2,646	2,778	2,917
Drivers	<i>Administration</i>	2,400	2,520	2,646	2,778	2,917
Messengers	<i>Administration</i>	2,000	2,100	2,205	2,315	2,431
Cleaner	<i>Administration</i>	1,000	1,050	1,103	1,158	1,216

Payroll Cost

Directors	<i>Administration</i>	60,000	63,000	66,150	69,458	72,930
General Manager	<i>Administration</i>	7,000	7,350	7,718	8,103	8,509
Head Brewer	<i>Cost of Good Sold</i>	5,000	5,250	5,513	5,788	6,078
Shift Brewer	<i>Cost of Good Sold</i>	5,000	5,250	5,513	5,788	6,078
Plant Operator	<i>Cost of Good Sold</i>	5,000	5,250	5,513	5,788	6,078
Technicians Laboratory	<i>Cost of Good Sold</i>	5,000	5,250	5,513	5,788	6,078
Technicians Labor	<i>Cost of Good Sold</i>	49,000	51,450	54,023	56,724	59,560
Marketing Executive	<i>Selling & Marketing</i>	5,000	5,250	5,513	5,788	6,078
Sales Manager	<i>Selling & Marketing</i>	5,000	5,250	5,513	5,788	6,078
Store Clerks	<i>Selling & Marketing</i>	3,000	3,150	3,308	3,473	3,647
Depot Manager	<i>Selling & Marketing</i>	4,000	4,200	4,410	4,631	4,862
Depot Attendants	<i>Selling & Marketing</i>	3,000	3,150	3,308	3,473	3,647
Personnel Off.	<i>Administration</i>	3,000	3,150	3,308	3,473	3,647

Personnel Clerks	<i>Administration</i>	3,000	3,150	3,308	3,473	3,647
Secretary	<i>Administration</i>	4,000	4,200	4,410	4,631	4,862
Security	<i>Administration</i>	2,400	2,520	2,646	2,778	2,917
Drivers	<i>Administration</i>	2,400	2,520	2,646	2,778	2,917
Messengers	<i>Administration</i>	2,000	2,100	2,205	2,315	2,431
Cleaner	<i>Administration</i>	1,000	1,050	1,103	1,158	1,216
Total Payroll Cost		178,800	187,740	197,127	206,983	217,333

Payroll Cost - Cost Centre

Payroll - Administrative Expenses	<i>Administration</i>	84,800	89,040	93,492	98,167	103,075
Payroll - Cost of Services	<i>Cost of Good Sold</i>	74,000	77,700	81,585	85,664	89,947
Payroll - Selling & Marketing	<i>Selling & Marketing</i>	20,000	21,000	22,050	23,153	24,310
Total Payroll Cost		178,800	187,740	197,127	206,983	217,333

Internal Rate of Return

Year				USD
Currency				
Year	Profit	Add: Depreciation	Less: Capital Expenditure	Net Cash Flow
Year 0	-	-	(20,278,304)	(20,278,304)
Year 1	1,749,973	456,387	-	2,206,360
Year 2	3,338,629	444,977	-	3,783,606
Year 3	5,228,492	444,977	-	5,673,470
Year 4	7,477,477	433,853	-	7,911,330
Year 5	9,515,855	423,007	-	9,938,862

The IRR of the project is 11.1% and MIRR is 10.3%.

IRR	11.1%
Payback	9.04
NPV	8,504,468

MIRR	10.3%
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Payback Period

The payback period of Smart Brew Limited is **9.04** years.

Conclusion

The brewery industry is thriving due to ever-increasing consumer demands for brewery products. Africa has the lowest consumption of beer per capita, globally. Increase in population, rapidly rising disposable income, and increasing urbanization, consumption of beer is highly dependent on these factors.

The investment opportunity is attractive and accessible as beer production is highly capital intensive, and beer consumption largely brand-driven globally. Smart Breweries is a medium-scale brewery company that is located in the growing industrial center of Songwe, Tanzania. We at Smart Breweries offer extremely high-quality beer to ensure that our products meet the customer expectations.

One of the key strengths, as Brew Master Limited over our competitors, is that we have different packaging sizes and distribution channels all over Tanzania. Our target market will consist of the corporate and working class who appreciate good quality beer. We have effective production ability, competitive prices, high-quality standards and adaptability to changes the market and customer's preferences and the method of practice. Our initial target is to produce two main lines of products primarily focusing on Beer 500ml and Beer 330 ml. We will use attractive marketing strategies to increase the customer base and to increase the demand. We will also use techniques that include offering promotions and discounts to increase the number of customers.

The five-year monetary examination of the task is likewise favorable for the expanding benefits step by step; the undertaking is required to return benefits in five years of activities. With the correct field-tested strategy and promoting methodology, the task will be valuable for the financial specialist.