



MANAT Co. LTD

MANAT Business Plan

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Table of Contents

I.	Overview of the Textile Industry in Tanzania	2
II.	Executive Summary	4
III.	Objectives	5
IV.	Our Vision and Mission Statements	5
V.	Keys to Success	5
VI.	Company Ownership/ Legal Entity	6
VII.	Management and Organization Structure	6
VIII.	SWOT Analysis	6
IX.	Job creation	7
X.	Products and Services	8
XI.	Our Core Values	8
XII.	Sources of Supply and Inputs	9
XIII.	Production Capacity	9
XIV.	Research and Development	9
XV.	Project Finances	9
XVI.	Sales and Marketing Strategy	9
XVII.	Sales forecast	10
XVIII.	Expenditure breakdown	11

Overview of the Textile Industry in Tanzania

Tanzania's textile sector has passed through various stages since independence to date, from a period where most of the textile industries were owned by the government to the period where private companies are the main owners. Since the independence of Tanzania in 1961, it has invested heavily in textile industry, so that it could satisfy the demand of the market in terms of clothes and cotton growing in Tanzania. According to the Ministry of Industry and Trade 2004 report on Status of Textile Industries in Tanzania, 50 textile industries were established by the year 2002 by the government and private companies. However, 23 (46%) of the established industries are operating. The industries are involved in dyeing, spinning, weaving, printing khanga and Kitenge, bed sheets, garments, knitting woven blankets and socks.

In the 1960s and 1970s, Tanzania was able to meet the demand of the market in terms of clothes. The industries produce adequate clothes and materials for making clothes. Furthermore, the industries were of the major employers and contributor to GDP. It employed about 25% of the working force and contributed 25% of GDP in manufacturing sector (SAILIN LTD (TIB 1996). According to Zuku A (2002), the development of the textile industry was attributed to the demand and deliberate government policies. Though the textile industries were able to satisfy the market but it could not meet the demand of some types of clothes i.e. suits and suiting materials and other specific dress materials. This was due to the lack of technology of producing them.

The textile and apparel industry in Tanzania is on route to become one of the leading sourcing sectors and foreign investment destinations in Africa. The country's Textile Development Unit (TDU) praises Tanzania as "the best overall location for making apparel in Africa", due to its low production cost, preferential trade access, improving industrial infrastructure, and ample availability of raw cotton.

Today, Tanzania is already the world's fourth largest producer of organic cotton. According to the figures from Bank of Tanzania, the total value of Tanzania's cotton exports rose by 55% in 2016, reaching \$46.8 million from \$30.2 million a year ago. This substantial growth was believed to be driven by increase in both export volume and unit price. Meanwhile, the area planted by cotton has increased by 66% from 69,886 acres in the 2015/16 season to 116,110 acres in the 2016/17 season.

For the 2017 season, the Tanzanian government forecasts that the country's cotton production is very much likely to double with estimated production reaching as much as 300,000 tons. This number also represents a four-year high, as stronger prices for cotton encourage farmers in Tanzania to increase cultivation. Nowadays, at least 300,000 farmers produce cotton in the country, but that can quickly double when the weather is good and prices are more attractive, says the government.

In terms of cotton output, Tanzania is currently the biggest rival to Zimbabwe – sub-Saharan Africa's largest cotton producer. Tanzania's cotton output peaked at about 370,000 tons in the 2005-06 season, according to the nation's Cotton Board. In 2012-13, cotton production in the country was down to about 352,000 tons, then fell to just over half of that in the last few years. The textile and apparel manufacturing sector in Tanzania also benefits from duty-free access to the EU, the US and South Africa. The Tanzanian government is very positive that the country's increasing social and political stability, ecological and socially compliant textile and clothing industry, good transport infrastructure, and availability of cheap, English-speaking labour will make Tanzania a strong competitor in the global textile and apparel sourcing market.

Executive Summary

MANAT Co. LTD is a standard textile company that is located at Kivule, in Temeke district, Dar es Salaam region. The company is involved in a wide variety of textiles, sewing supplies and accessories such as fabric, patterns, upholstery materials, yarns, needlecraft supplies, and seasonal decorations. We are aware that there are several large and small textile companies in Tanzania, which is why we spent time and resources to conduct thorough feasibility studies and market survey so as to offer much more than our competitor will be offering.

Our customer care will be second to none in the whole of Tanzania. We know that our customers are the reason why we are in business which is why we will go the extra mile to get them satisfied when they visit our textile company. We will at all times demonstrate the commitment to sustainability, both individual and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our clients' needs precisely and completely.

Our plan is to position MANAT Co. LTD to become a leading brand in the textile company in Tanzania and also among the top 10 textile manufacturing company.

Objectives

MANAT Company Limited objectives are as follows:

- To satisfy our customers by our quality of production and services
- To cement our position in large, potential domestic and international market
- To innovation of the product time to time for the development and diversification to cater global needs
- To provide better quality at the best affordable price
- To provide our customer every suitable place to buy our products like retail shop to malls from where they can easily purchase our products

Our Vision and Mission Statements

Our vision is to become a top and leading textile selling brand in Tanzania and to establish a textile business that will make available a wide range of textiles and sewing accessories at affordable prices to the residents of Dar es Salaam and other cities of Tanzania.

Our mission is to establish a textile business that will make available a wide range of textiles and sewing accessories at affordable prices to residents of Tanzania and other countries where we intend opening of chains of textile shops.

Keys to Success

There are a few key factors that contribute to success or failure for professional works -most of which twig from the importance of reputation to an entrepreneur business.

- Our services would be perfectly done by our managers, and other staff, our actions would definitely be prompt and efficient
- We maintain the best relationships with our staffs such as boss to subordinates, managers to employees and with all other like laborer's, electricians and mechanics
- Although we are very good with others and we maintain our personal relations good but at the same time we maintain a professional relation at all time
- Our important key to success is to execute the work according to the planning, when it is supposed to and at the agreed and affordable price

Company Ownership/ Legal Entity

MANAT Co. LTD has been registered with Tanzania Revenue Authority and assigned the taxpayer identification number 155 – 220 -015. It has also been registered with a certificate of Incorporation of a company as a private business that is solely owned and financed by the family partners.

Management and Organization Structure

MANAT Co. LTD is a family-owned business that is owned by Nafles J. Mbilinyi, Tlufina J. Mbilinyi and Maria A. Luvanda. The both have robust experience, qualifications and skills that will help to grow the business from startup to profitability within the shortest time possible. We are aware of the importance of building.

SWOT Analysis

Our intention of starting MANAT Co. LTD is to test run the business for a period of 2 to 5 years to know if we can invest more money, expand the business and open other outlets all across Tanzania.

We are quite aware that there are several textile companies in Tanzania and even in the same location where we intend locating ours, which is why we are following the due process of establishing the business. We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats.

MANAT Co. LTD employed the services of an expert HR and Business Analyst with bias in retailing to help us conduct a thorough SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives. This is the summary of the SWOT analysis that was conducted for the MANAT Co. LTD.

Strength

Our location, the business model we will be operating on (brick and mortar shop and online store), varieties of payment options, wide range of textiles and sewing related accessories and

our excellent customer service culture will definitely count as a strong strength for MANAT Co. LTD. So also, our management team has what it takes to grow a business from startup to profitability with a record time.

Weakness

A major weakness that may count against us is the fact that we are a new textile company outlet in Tanzania and we don't have the financial capacity to compete with multi million dollars fabric, craft and sewing supply outlets like NIDA Textile mills Tanzania LTD, Karibu Textile Mills when it comes to retailing at rock bottom prices.

Opportunities

The fact that we are going to be operating our textile shop in one of the busiest streets in Tanzania provides us with unlimited opportunities to sell our merchandise to a large number of people. We have been able to conduct thorough feasibility studies and market survey and we know what our potential clients will be looking for when they visit our textile shop; we are well positioned to take on the opportunities that will come our way.

Threat

Just like any other business, one of the major threats we are likely going to face is economic downturn. It is a fact that economic downturn affects purchasing/spending power. Another threat that may likely confront us is the arrival of a new textile shop in same location where ours is located. We are not ruling out the fact that unfavorable government policy can also pose a threat to our business.

Job creation

MANAT Co. LTD intends to grow big in order to compete favorably with leading textile company in Tanzania. We are aware of the importance of building a solid business structure that can support the picture of the kind of world class textile company we want to own. This is why we are committed to hiring the best hands within our area of operation.

We will ensure that we hire people that are qualified, hardworking, creative, customer centric and are ready to work to help us build a prosperous business that will benefit all our stakeholders. As matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more.

In view of the above, we have decided to hire qualified and competent hands to occupy the following positions in our organization:

- Chief Executive Office (Owner)
- Company manager
- Merchandise Manager
- Sales and Marketing manager
- Accountants /cashier
- Customer Service Executive
- Other workers

Products and Services

MANAT Co. LTD is in business to produce and retail a wide range of textiles, sewing accessories and related products. We are in the fabric, crafts and sewing accessories industry to maximize profits and we are going to go all the way to ensure that we achieve our business goals and objectives.

We do not only sale our products but also, we provide services to our customers. We provide free delivery services to our customer. We intend to open showroom for our products. By the opening of our showroom, many people got employments such as: managers who manages the work of the company, account manager who manages the account office such as monetary works.

Our products are:

- Retailing textiles (fabric)
- Retailing patterns
- Retailing sewing supplies
- Retailing upholstery materials
- Retailing yarns
- Retailing seasonal decorations

Our Core Values

- Ethics – we are conscious of our characters and attitudes: inside and outside the workplace
- Responsibility – we feel committed to the proper performance of our work
- Justice – we believe in the equal treatment of our clients and members of staff
- Respect – compliance with the provisions and consideration for people, whoever they are, and whatever they are in

- Integrity – sincerity in service /product delivery and relation management
- Punctuality – Care, diligence and accuracy in quick delivery to strengthen customer retention

Sources of Supply and Inputs

MANAT CO. LTD will make use of raw materials available in Tanzania, as well as importing from other materials from China, Turkey, India, Thailand and Kenya.

Production Capacity

Knowing your production capacity allow you to better plan and schedule production, provide customer with more accurate lead time and forecast your cash flow. Production capacity is the maximum possible output of a manufacturing business, measure in units of outputs per period. MANAT Co. LTD is expected to produce more than **300 tons** of Shirts and T-shirts for the first year of production.

Research and Development

Research: working to find new products such as fibers, weaves, dyes, and finishing techniques

Development: finding practical ways to use products researchers' creation

Project Finances

MANAT Co. LTD owners have invested **500,000,000 TZ** as a startup investment capital. They do not intend to welcome any external business partner which is why they have decided to restrict the sourcing of the startup capital to three (3) major sources. These are the areas we generated our startup capital:

- Generate part of the startup capital from personal savings – **500,000,000 TZ**
- Sources for soft loans from family members and friends
- Apply for loan from my Bank

N.B: We have been able to generate about **500,000,000 TZ** (personal savings) from the three partners.

Sales and Marketing Strategy

Before choosing a location for our MANAT Co. LTD, we conducted a thorough market survey and feasibility studies in order for us to be able to penetrate the available market and become

the preferred choice for residents of Dar es Salaam and Tanzania in general. We have detailed information and data that we will be able to utilize to structure our business to attract the number of customers we want to attract per time.

We will hire experts who have good understanding of fabrics, crafts and sewing accessories industry to help us develop marketing strategies that will help us to achieve goal of winning larger [percentage of the available market in Dar es Salaam and Tanzania at large. In order to continue to be in business and grow, we must continue to sell the stocks that will be available in our industry which is why we will empower our sales and marketing team to deliver. The MANAT Co. LTD will adopt the following sales and marketing strategies to win customer:

- Open up textile shops in grand style with part for all
- Introduce our textile shop business by sending introductory letters alongside our brochure to tailors and fashion designers, households and key stakeholders in and around Dar es Salaam
- Ensure we have a wide range of textile (fabrics) sewing accessories and other related merchandise in our shop at all times
- Place adverts on community-based newspaper, fashion magazines, radio and TV Stations
- Encourage the use of word-of-mouth publicity from our loyal customer
- Leverage on the internet and social media platforms like Instagram, Facebook, twitter and snapchat

Sales forecast

One thing is certain when it comes to the textile business, if your shop is well stocked and centrally positioned, you will always attract customers cum sales and that will translate to increase in revenues generation for the business.

We are positioned to take on the available market in Dar es Salaam and we are quite optimistic that we will meet our set target of generating enough profits from the first six months of operation and grow the business and our clientele base.

We have been able to critically examine the fabrics, crafts and sewing accessories industry, we have analyzed our chances in the industry and we have been able to come up with the following sales forecast

- Second Fiscal Year 1,000,000,000 TZS
- Third Fiscal Year 1,030,000,000 TZS
- Fourth Fiscal Year 1,050,000,000 TZS

➤ Fifth Fiscal Year 1,070,000,000 TZS

N.B This projection was done based on what is obtained in the industry and with the assumption that there won't be any major economic meltdown, and there won't be any major competitor offering some products and customer care services as we do within same location. Please note that above projection might be lower and at the same time might be higher.

Pricing

Pricing is one of the factors gives leverage to retailers, it is normal for consumers to go to places where they can get quality fabrics, sewing accessories and related merchandise at affordable price which is why big players in the industry will continue to attract loads of consumers. We will ensure the prices of all the products in our textile shop are competitive.

Payment Options

The payment policy adopted by MANAT Co. LTD, LLC is all inclusive because we are quite aware that different customers prefer different payment options, but at the same time, we will ensure that we abide by the financial rules and regulation of the United Republic of Tanzania. Here are the payment options that MANAT Co. LTD, will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via credit cards/Point of Sale Machines
- Payment via online bank transfer
- Payment via check
- Payment via mobile money transfer
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for stocks purchased without any stress on their part. Our bank account numbers will be made available on our website and promotional materials.

Expenditure Breakdown

These are the key areas where we will spend our startup capital:

- i. The total fee for registration, legal expenses for obtaining licenses and permits – **5,000,000 TZS**
- ii. Marketing promotion and advertising expenses – **30,000,000 TZS**
- iii. Operational costs for the first year (salaries, wages, payments bills) – **317,300,000 TZS**
- iv. Purchasing of vehicles – **60,000,000 TZS**
- v. The cost of purchase of furniture's and gadgets (computers, printers, telephone etc) – **25,000,000 TZS**
- vi. The cost of startup inventories (stocking a wide range of fabrics, sewing accessories and others related merchandise) -
- vii. Other startups expenses including stationery and utility deposit – **50,300,000 TZS**
- viii. The total cost of purchase of insurances (general liability, workers compensation and property causality) – **12,000,000 TZS**
- ix. Miscellaneous – **1,000,000 TZS**

Five years Forecasted Income Statement

DETAILS	TZS	TZS	TZS	TZS	TZS
	2022	2023	2024	2025	2026
SALES	-	800,000,000.00	1,000,000,000.00	1,050,000,000.00	1,030,000,000.00
Cost of Goods Sold	300,000,000.00	500,000,000.00	500,000,000.00	500,000,000.00	500,000,000.00
Gross Profit	(300,000,000.00)	300,000,000.00	500,000,000.00	550,000,000.00	530,000,000.00
Operating Expenses					
Research and Development	2,500,000.00	-	-	-	-
Salaries and Wages	230,000,000.00	230,000,000.00	230,000,000.00	230,000,000.00	230,000,000.00
Employee Benefits	-	-	-	-	-
Stationaries	3,000,000.00	3,500,000.00	2,700,000.00	3,000,000.00	3,300,000.00
Advertising	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
Furnitures & Fixtures	25,000,000.00	-	-	400,000.00	-
Telephone and Internet	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Security	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00
Rent	24,000,000.00	24,000,000.00	24,000,000.00	24,000,000.00	24,000,000.00
Water Bills	3,000,000.00	5,200,000.00	9,000,000.00	3,500,000.00	4,000,000.00
Electric Bills	48,000,000.00	40,000,000.00	67,000,000.00	50,000,000.00	55,000,000.00
Vehicles Purchases	60,000,000.00	-	-	-	-
Accomodations	5,000,000.00	5,000,000.00	7,000,000.00	7,000,000.00	7,000,000.00
Transportations	11,000,000.00	20,000,000.00	35,000,000.00	15,000,000.00	22,000,000.00
Maintainance & Repairings	8,000,000.00	500,000.00	3,000,000.00	5,000,000.00	350,000.00
Insuarances	12,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00
Vehicle Services	10,000,000.00	3,000,000.00	5,000,000.00	4,500,000.00	5,000,000.00
Cleanliness	4,800,000.00	4,800,000.00	4,800,000.00	4,800,000.00	4,800,000.00
Miscellaneous	7,000,000.00	2,000,000.00	5,000,000.00	750,000.00	1,000,000.00
Legal Services	5,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Total Expenses	495,300,000.00	393,000,000.00	447,500,000.00	402,950,000.00	411,450,000.00
Income Before Taxation	(795,300,000.00)	(93,000,000.00)	52,500,000.00	147,050,000.00	118,550,000.00
Income Taxes Expenses	45,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00
Net Income(Loss)	(840,300,000.00)	(133,000,000.00)	12,500,000.00	107,050,000.00	78,550,000.00

5 Years Forecast Balance Sheet

YEARS	2022	2023	2024	2025	2026
DETAILS	TZS	TZS	TZS	TZS	TZS
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENT	53,000,000.00	36,000,000.00	35,000,000.00	40,000,000.00	45,000,000.00
INVENTORY	25,500,000.00	250,000,000.00	300,000,000.00	350,000,000.00	400,000,000.00
PREPAID RENT	24,000,000.00	24,000,000.00	24,000,000.00	24,000,000.00	24,000,000.00
PREPAID SALARIES	230,000,000.00	230,000,000.00	230,000,000.00	230,000,000.00	50,000,000.00
DEBTORS	-	30,000,000.00	6,000,000.00	1,000,000.00	22,000,000.00
PREPAID INSUARANCE	12,000,000.00	30,500,000.00	30,500,000.00	30,500,000.00	30,500,000.00
NON CURRENT ASSETS					
FURNITURES&FIXTURES	25,000,000.00	-	-	2,000,000.00	-
VEHICLES	60,000,000.00	-	-	15,000,000.00	-
PROPERTIES AND EQUIPMENTS	70,500,000.00	10,000,000.00	-	-	-
BUILDING(WAREHOUSE)	-	-	-	-	-
TOTAL ASSETS	500,000,000.00	610,500,000.00	625,500,000.00	692,500,000.00	571,500,000.00
LIABILITIES					

BANK LOAN	-	-	-	-	-
CREDITORS	-	-	-	-	-
STOCKHOLDERS EQUITY					
RETAINED EARNINGS	-	-	-	-	-
CAPITAL STOCK	500,000,000.00	-	-	-	-
TOTAL LIABILITIES AND EQUITY	500,000,000.00	610,500,000.00	625,500,000.00	692,500,000.00	571,500,000.00

Projected Statement of Cash Flow for Five Years (2022 – 2026)

DETAILS	2022	2023	2024	2025	2026
	TZS	TZS	TZS	TZS	TZS
Balance at the beginning	500,000,000.00	4,700,000.00	411,700,000.00	964,200,000.00	1,611,250,000.00
cash inflows	-	800,000,000.00	1,000,000,000.00	1,050,000,000.00	1,030,000,000.00
cash outflow	495,300,000.00	393,000,000.00	447,500,000.00	402,950,000.00	411,450,000.00
Ending cash balance	4,700,000.00	411,700,000.00	964,200,000.00	1,611,250,000.00	2,229,800,000.00

TIMEFRAME FOR THE FIRST YEAR

SN	Activity description	Timeframe												STATUS
		Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	
1	Business registration, licenses & permits													Complete
2	Leasing of facility and restructuring													Complete
3	Conducting feasibility study													In progress
4	Generating capital from business partners													Complete
5	Writing business plan													In progress
6	Drafting employee handbook													In progress
7	Drafting documents and other legal relevant documents													In progress
8	Design the company logo													In progress
9	Graphic designs and printing of promotion materials													In progress
10	Recruitment of employees													In progress
11	Purchase of inventories													In progress
12	Purchase of needed machines, furnitures, electronic appliances, office appliances													In progress
13	Health and safety and fire safety arrangement													Complete
14	Starting production													

