

# VANILLA ENTERPRISES CO. LIMITED

## BUSINESS PLAN

PROJECT FORECAST  
2022-2027



VECOL



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## EXECUTIVE SUMMARY

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In 2007 a private company owned by Bright E. Mollel, Tilda E. Molel, Camilla B. Mollel and Vanilla B. Mollel P.O. Box 46355. of Dar es Salaam, was incorporated in Dar es Salaam, under Certificate of incorporation no 62199, of 24<sup>th</sup> September, 2007, under the name of Vanilla Enterprises Co. Limited.

Shareholders are local entrepreneurs with diversified business in Tanzania ranging from general trading and cargo haulage and Storage Facilities. Shareholders carried out studies, and their findings contemplated, results of which indicated logistics/transportation of extra dimensions, abnormal cargo, and specialized cargo combined with cargo clearing and forwarding, which require tailor made plan of movement to destinations, were profitable and lucrative, and should be established.

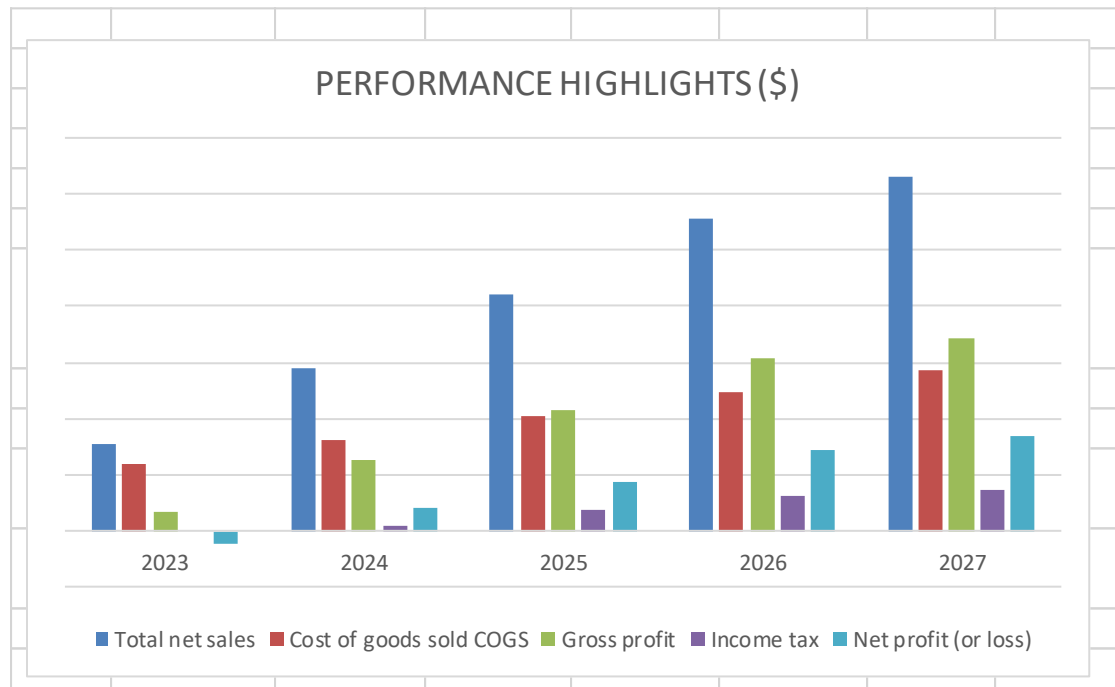
Other departments intended for integration were Transportation of lighter cargo, using lighter vehicles, transporting new vehicles on car carriers, and building godowns for renting to would be overseas clients and others, services, Logistics Services as would be required by customers, and clients.

Proud of being Tanzanian company, Vanilla Enterprises Co. Limited will deliver to its customers and to this Country as a whole, remarkable performance when discharging their duties, our company was established for

Vanilla Enterprises Co. Limited will serve businesses in Dar es Salaam, Coastal region, Arusha, Kilimanjaro, Dodoma, Morogoro, Mbeya, Iringa, and Mwanza (eventually expanding and starting crossing borders to Zambia, Malawi, Burundi, Rwanda and Congo) by carrying cargo from Dar es salaam port going to those areas, also carrying raw materials, finished products and agricultural products from those areas to Dar es salaam and other nearby regions for a maximum use of truck mileage with freight hauling and logistics management services. The business will develop a reputation for its on-time and accurate service as well as sophisticated Web and software functionality, allowing clients to align their business with Vanilla Enterprises Co. Limited's services and scheduling automatically. The business will be managed by Bright E. Mollel, CEO, and a Chief Operating Officer.

Vanilla Enterprises Co. Limited will be investing \$3,000,000 to this project. Twenty percent (20% ~ 600,000\$) of the total investment will be financing by shareholders' equity whereby eighty percent (80%~2,400,000\$) of the total Investment will be financing by borrowing from financial institutions. The business will be launched with 20-wheeler trucks Howo Sino Truck (to be imported from China) and will expand its operations more trucks after 2 years of operation. Gross margins will be around 35%, allowing for significant profit by the end of the fifth year as the business scales up.





## OBJECTIVES

Vanilla Enterprises Co. Limited will serve businesses in Dar es Salaam, Coastal region, Arusha, Kilimanjaro, Dodoma, Morogoro, Mbeya, Iringa, and Mwanza (eventually expanding and starting crossing borders to Zambia, Malawi, Burundi, Rwanda and Congo) with truck-based distribution services.

Over the first five years of operations, Vanilla Enterprises Co. Limited will seek to meet the following objectives:

- Establish bases in Dar es salaam, Kahama, Tunduma, and Arusha
- Purchase eighteen (50 with 40 feet container trailers
- Hire 50 full-time truck drivers
- Achieve strong annual revenue based on 1.9 million Kilometers of hauling in the fifth year.

## MISSION

Vanilla Enterprises Co. Limited will simplify distribution of goods from Dar es salaam Port to coast region, Northern, Central and southern Tanzania by becoming their partner in operating efficiently and reliably. Vanilla Enterprises Co. Limited will use management of logistics, on-time, accurate deliveries from destination to destination in the coverage, and partnerships with distribution centers, shipping line companies and warehousing businesses to achieve its goals.

## KEYS TO SUCCESS

The keys to success in the trucking business are:

1. Robust communication systems between drivers, bases, and clients
2. Setting delivery schedules that can be met (i.e. setting the right expectations)
3. Hiring and retaining reliable, safe drivers.
4. Understanding what clients are trying to achieve, and helping them find the right distribution solution to create long-term relationships.
5. Finding gaps in the transporting service coverage and be a reliable link.

## COMPANY SUMMARY

Vanilla Enterprises Co. Limited, a startup truck company headquartered in Dar es salaam, will provide trucking and logistics management solutions for business clients in Dar es salaam, Northern, central and southern Tanzania. Beginning with operations in Dar es salaam, the business will haul freight from Dar es salaam port to manufacturers to distributors and retailers, operating in partnership with distribution centers, shipping line companies, warehouses, and wholesalers.

## COMPANY OWNERSHIP

Vanilla Enterprises Co. Limited is founded by Bright E. Mollel and Tilda B. Mollel and Camilla B. Mollel and Vanilla B. Mollel who are Tanzanians Vanilla Enterprises Co. Limited has been established as a private limited liability company from its launching. The shareholding structure is shown here below.

Shareholders Name	Nationality	Number of Shares	Percent of Shares%
Bright Elias Mollel	Tanzanian	130	43
Tilda Elias Mollel	Tanzanian	100	33
Camilla Bright Mollel	Tanzanian	20	7
Vanilla Bright Mollel	Tanzanian	20	7
Brian Bright Mollel		30	10
<b>Total</b>		<b>300</b>	<b>100</b>

## START-UP SUMMARY

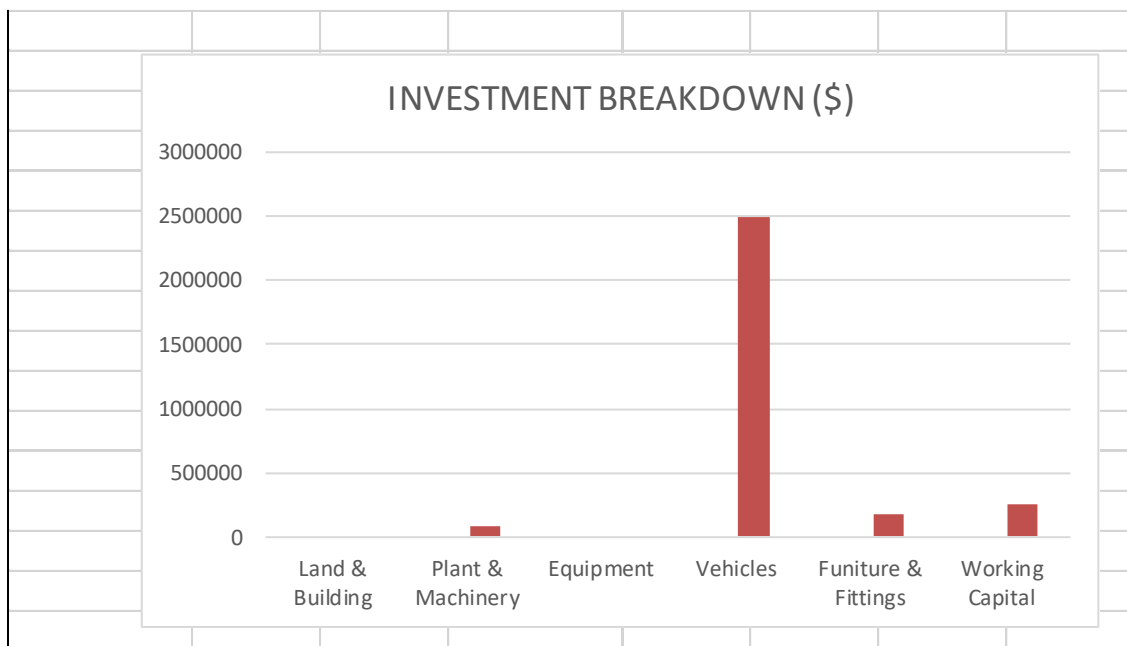
The start-up expenses include some of the basic set-up costs for the Vanilla Enterprises Co. Limited office - stationery (business cards and letterhead), rent for the office at \$3,000 per annum, computer equipment. Marketing expenses include brochures and website development (see website plan for more details). Other expenses include legal consultation fees to ensure that all precautions are taken to limit the risk of the business and to establish templates for client and partner agreements, insurance premiums for the first year of operation to cover liability associated with the



service, the office, and the trucks, and licenses and permits for the business. The business will arrange for a temporary parking of trucks outside city centre for few days after their importation before the trucks get into the contract where they will be moving containers from Dar es Salaam port to container yards and importers premises. Early in the second year of operation the company will start a construction of parking yard for its fleets, office and workshop. The company is currently eagerly seeking a land for the said purpose.

Cash required will be used to fund the months of operation before cash flow break-even is achieved and to allow for adequate cash reserves to reduce the risk of running low on cash if targets are not met. Other current assets include office supplies, software for accounting, scheduling, and resource management and light equipment. Long-term assets include 50 trucks to be imported from China (Howo Sino Truck), estimated at \$40,000 each (approximately \$30,000 for the cab and \$10,000 for the trailer). The business will purchase vehicles in excellent condition trucks in order to better ensure that deliveries are made on time and that the usual risks of aging equipment are avoided. An additional \$40,000 is budgeted for long-term assets including repair equipment and tools which is cost-effective to own in-house, satellite-tracking equipment for each truck, and office furniture.

While some trucking businesses hire owner-operators of trucks, Vanilla Enterprises Co. Limited will maintain greater control over the service it offers by owning the trucks, ensuring that it always lives up to its name.



## SERVICES

Vanilla Enterprises Co. Limited will offer the following services for businesses in the Northwest:

- Pick-up and delivery of goods with a minimum per-delivery weight of 20,000 Kgs. from and to locations in its geographic range by 20-wheeler trucks hauling 20 or 40 feet container trailers
- Both "less than a truck load" and "truck load" services



- Online tracking information detailing the location of all GPS-tagged trucks and the status of deliveries, including expected arrival times for pick-up or delivery
- Phone support for all customer questions, delivery changes, and scheduling.
- Preferred client services including online accounts, regular schedules of shipping, or linking of client order information directly to Vanilla Enterprises Co. Limited 's scheduling software to allow for seamless logistics.
- Clearing and forwarding both local and transit cargo

To maintain its competitiveness in its core services, Vanilla Enterprises Co. Limited will NOT offer:

- Storage or warehousing of goods awaiting delivery (goods can remain in storage in trucks for short periods, but at relatively high cost to customers)
- Packaging and crating

In the future, Vanilla Enterprises Co. Limited will add the following services:

- Open truck trailers for timber and cattle hauling also dry van trailers for loose cargo.

Trucks are operated by qualified and well-trained drivers with spotless records. Drivers are safety trained and re-tested for knowledge of laws as they change. A dedicated suite of software and communication systems will allow for the logistical management mentioned above.



## MARKET ANALYSIS SUMMARY

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The Tanzania trucking industry serves as a key link between Dar es salaam, Tanga, and Mtwara ports to raw material suppliers, manufacturers, wholesalers, distributors, and retailers in most industries and transit service from Dar es salaam port to nearby countries. The industry includes dry van, flatbed, refrigerated and bulk/tank trucking over short-haul (up to 100 Kms), medium-haul (100 to 250 Kms), and long-haul (250 Kms and up).

Vanilla Enterprises Co. Limited will compete in the market for medium and long haul container trucking in the Northern, Central and southern Tanzania. This market serves businesses ranging from importers, packaged goods/grocery industry to the mining industry to high-tech equipment, as well as commercial relocations.

## MARKET SEGMENTATION

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The market analysis table covers likely market segments within the seven regions which Vanilla Enterprises Co. Limited will serve.

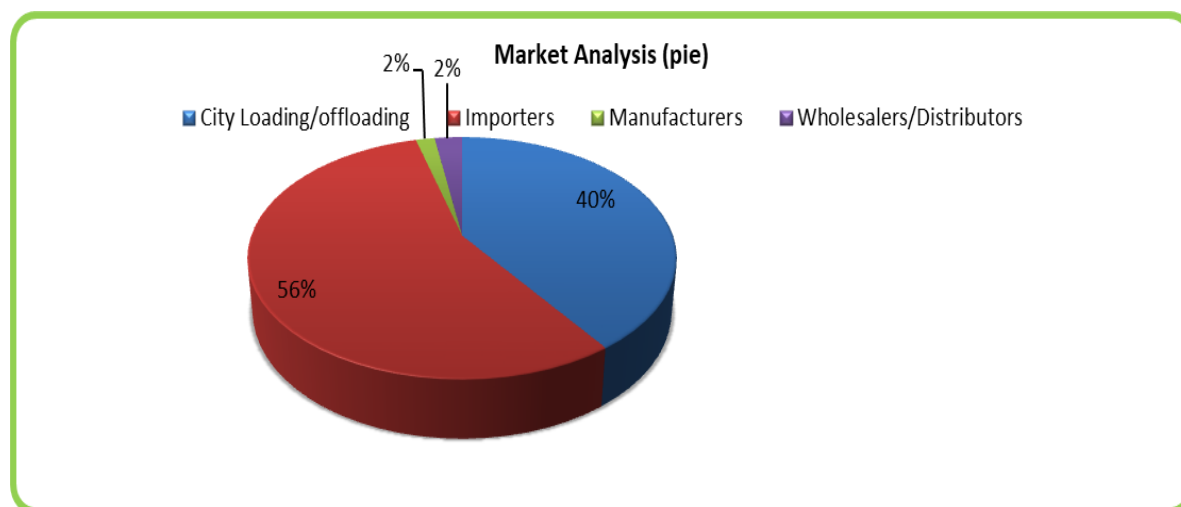
**City Loading and offloading:** This is the local transit of containers to/from Dar es salaam port to bonded warehouses, customer premises, shipping line yards and relocation of containers, shipping large quantities of imported materials and finished goods to large manufacturers, distributors, consumers and logistics and clearance services within Dar es salaam.

**Manufacturers** Most of the industries in Tanzania are located in Dar es salaam and often outsource the distribution of their goods to businesses that specialize in serving one type of retailer or business. Their packaged goods are often shipped to only one wholesaler/distributor, creating a regular business in shipping between Dar es salaam and other regions.

**Importers/Transit:** Dar es salaam port is the entry point of most of the imports to Tanzania and nearby countries like Uganda, Zambia, Malawi, Rwanda and Burundi. Vanilla Enterprises Co. Limited will provide trucking services to Northern Tanzania, central and southern regions and then start carrying transit goods from Dar es Salaam port to nearby countries.

**Wholesalers/Distributors** that serve large retailers assemble truckloads of goods from the many manufacturers they serve. While they often have their own trucks or distribution means, some of these firms do not either because they are smaller or because they attempt to limit their investment in assets. Others may require additional trucking support when they are operating at capacity but not prepared to expand their shipping capacity.





MARKET ANALYSIS						
Potential Customers	Growth	2022	2023	2024	2025	2026
City Loading/offloading	10%	1,300	1,430	1,573	1,730	1,903
Importers	10%	1,800	1,980	2,178	2,396	2,635
Manufacturers	5%	40	42	44	46	49
Wholesalers/Distributors	5%	50	53	55	58	61
<b>Total</b>		<b>3,190</b>	<b>3,505</b>	<b>3,850</b>	<b>4,230</b>	<b>4,648</b>

### TARGET MARKET SEGMENT STRATEGY

Vanilla Enterprises Co. Limited will begin by focusing specifically on the segment of importers in Dar es Salaam, Coastal, Arusha, Kilimanjaro and expanding after the first year to the entire intended nine regions. By serving importers, Vanilla Enterprises Co. Limited can provide an affordable shipping solution for new and growing businesses over purchasing their own trucks.

Raw material suppliers sometimes require flatbed or bulk/tank trucking which will not be an initial service offered by Vanilla Enterprises Co. Limited and wholesalers often have their own trucks. These segments are expected to yield some customers, but by focusing first on the middle of the supply chain with manufacturers, Vanilla Enterprises Co. Limited will be introduced to suppliers and distributors who may require their services without having to engage in full marketing campaigns to these segments.

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## SERVICE BUSINESS ANALYSIS

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### COMPETITION AND BUYING PATTERNS

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In addition to competing with other trucking companies, including national carriers, Vanilla Enterprises Co. Limited will compete with cargo truck transportation. However, for the distances it intends to travel, and due to the size of the market, its business strategy Vanilla Enterprises Co. Limited is at an advantage.

Shippers choose between trucking companies based on:

- Their track record of on-time and accurate deliveries
- Their price
- Their ability to partner with the shipper to offer logistics expertise and added services.

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## WEB PLAN SUMMARY

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The Vanilla Enterprises Co. Limited website will serve as a source of basic information for those who find it via Internet searches, as well as a sophisticated account management portal for clients. For potential clients, the website will serve as a deeper explanation of the services and background of the company than a brochure or advertisement can provide. Specific calls to action on the website will ask users to call to speak to a salesperson or to fill in a form with their basic information and a good time to speak with them, so that a salesperson can contact them. Even one-time clients will be able to access up-to-date information about the current location of their deliveries.

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## WEBSITE MARKETING STRATEGY

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Vanilla Enterprises Co. Limited will utilize the following means to promote its website as a marketing tool:

- Initial and ongoing search engine optimization by the Web developer and then by an SEO firm
- Google AdWords campaign which can be reduced or defunded if organic search rankings are high enough.
- Profiles and listings on ten business and trucking company online databases
- Mention of the website URL in all brochures and advertisements

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## DEVELOPMENT REQUIREMENTS

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The website's components will have the following requirements:

### Front End

- Homepage - Mirroring a basic brochure about Vanilla Enterprises Co. Limited
- About Us - Background on the partners, mission, and basics of the business
- Contact - Form to submit information and phone number to reach a salesperson during business hours
- Services - Deeper description of the service options along with images of the trucks and a map of the area served



### **Delivery Tracking**

- Form - To enter delivery code which was designated for the delivery
- Map - Shows current location of the delivery on a map
- Statistics - minutes late or ahead of schedule, status of pick-up or drop-off, other notes about the order

### **Account Management**

- Login - Login form for client username and password
- Account Profile - Basic client information, settings related to interface between client systems and Vanilla Enterprises Co. Limited if direct links have been established
- Scheduling - Calendar on which pickups and deliveries can be scheduled and rescheduled
- Alerts - Settings for email or text alerts about deliveries which can be sent to client

### **Back End**

- Database Entry - Ability to search within and make changes and edits to the client and scheduling information in the database
- Billing Interface - Website sends billing information for completed jobs directly to accounting software for bill creation

The website will be developed over a three-month period and will require \$2,000. Many elements can be adapted from off-the-shelf or open source software, but others must be developed from scratch to interface between client software and the Vanilla Enterprises Co. Limited database.

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## **STRATEGY AND IMPLEMENTATION SUMMARY**

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Vanilla Enterprises Co. Limited will focus its strategy on the following areas:

- Establishing a strong software/Web component to its business to drive adoption of its preferred client services
- Building and maintaining its on-time reputation to command revenue per km slightly over the industry average
- Targeting importers and shipping line companies in Dar es salaam and Coastal region in the first wave of marketing as the segment most in need of Vanilla Enterprises Co. Limited services

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## **COMPETITIVE EDGE**

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Vanilla Enterprises Co. Limited will establish a competitive edge through its dogged focus on on-time deliveries for its specific target market. Software systems, communication systems, operational choices and marketing materials will all be oriented around this goal. By making customers more assured of on-time delivery with Vanilla Enterprises Co. Limited than with competitors, they will be more likely to use the business overall, as they can never be sure when a few hours can make an incredible difference to their potential revenues or expenses.

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## **MARKETING STRATEGY**

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Vanilla Enterprises Co. Limited will attempt to rapidly achieve awareness in Dar es salaam, Coastal, Arusha and Kilimanjaro regions about its business in the first year, followed with awareness in Zambia, Malawi, Rwanda, Burundi and Uganda in future years. It will seek to position itself not as the most inexpensive carrier, but as a carrier with the best on-time record coupled with advanced systems to help clients manage their logistics better. Smaller businesses may feel more comfortable working with a smaller carrier as they fear being lost in the shuffle by bigger carriers who also handle huge accounts.

- Building a website with visibility on search engines and in databases of trucking companies (see Web plan)
- Creating a compelling brochure of Vanilla Enterprises Co. Limited services which will be distributed through direct mail, and kept in stock for networking events
- Exhibiting at Saba Saba and Nane Nane trade shows.
- Advertisements in *advertise Dar* magazine.
- Public relations efforts including press releases related to the business launch and its unique preferred client account management package.

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### SALES STRATEGY

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Marketing Manager will manage sales for the business, making appointments with and traveling to client businesses in the region when necessary to establish relationships based on an understanding of the client's needs for shipping. Marketing Manager will prospect from a list of manufacturer businesses in the region, starting with small and new businesses which may not have established a long-term relationship with a carrier yet.

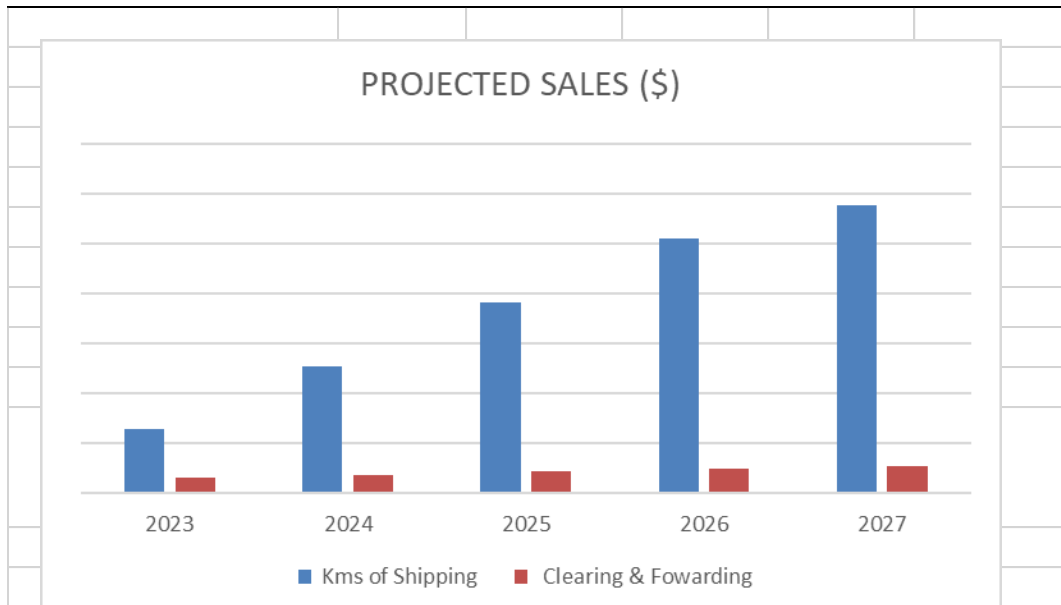
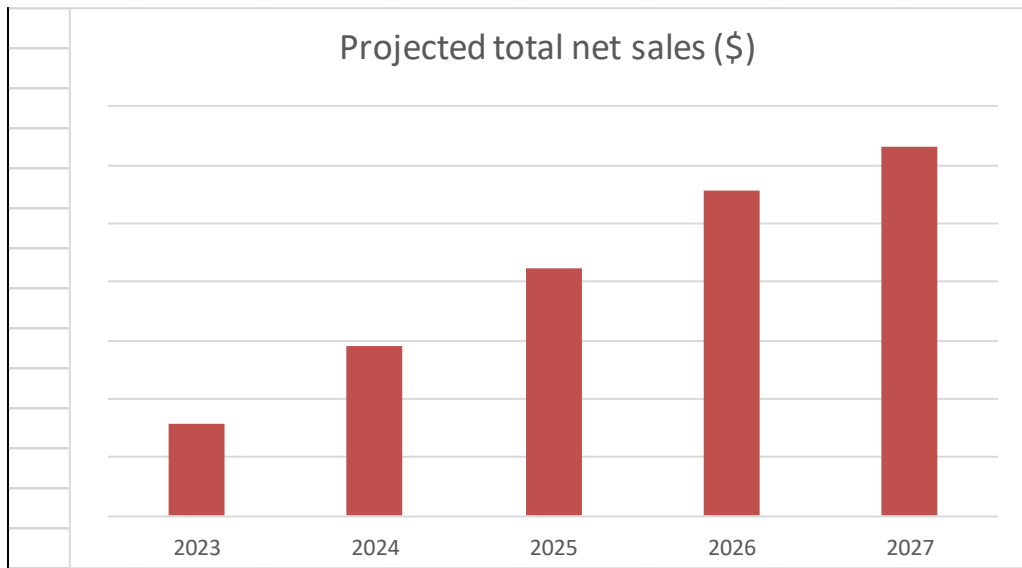
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### SALES FORECAST

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The cost of sales listed here for per-km shipping is approximately 25% for fuel based on the estimated 16kmpg for loaded trucks, and another 25% for truck driver labor hours that can be assigned to the jobs based on \$16/hour rate. Cost of sales for preferred accounts is much smaller as it consists only of set-up and maintenance labor for hourly operators. Sale resulted from clearing and forwarding is estimated to me increasing at a rate of 10% annually.





SALES FORECAST					
Planning years	2022	2023	2024	2025	2026
<b>Unit Sales</b>					
<b>Kilometers of shipping</b>	180,000	360,000	540,000	720,000	720,000
<b>Total Unit Sales</b>	<b>180,000</b>	<b>360,000</b>	<b>540,000</b>	<b>720,000</b>	<b>720,000</b>
<b>Unit Prices</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Per/km of shipping</b>	\$3.50	\$3.51	\$3.52	\$3.53	\$4.00
<b>Sales</b>					
<b>Kilometers of shipping</b>	\$630,000	\$1,263,600	\$1,900,800	\$2,541,600	\$2,880,000
<b>Sub Total Sales</b>	<b>\$630,000</b>	<b>\$1,263,600</b>	<b>\$1,900,800</b>	<b>\$2,541,600</b>	<b>\$2,880,000</b>
<b>Sales - Clearing and forwarding</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Unit price per Container</b>	300	300	300	300	300
<b>Number of containers per year s</b>	500	600	700	800	900
<b>Sub Total Sales</b>	<b>150,000</b>	<b>180,000</b>	<b>210,000</b>	<b>240,000</b>	<b>270,000</b>
<b>Total Sales</b>	<b>780,000</b>	<b>1,443,600</b>	<b>2,110,800</b>	<b>2,781,600</b>	<b>3,150,000</b>
<b>Direct Unit Costs</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Per/Km of shipping &amp; clearing and forwarding</b>	\$4.47	\$3.58	\$3.44	\$3.51	\$3.84
<b>Direct Cost of Sales</b>					
<b>Kilometers of shipping</b>	\$805,324	\$1,287,851	\$1,859,317	\$2,529,175	\$2,763,375
<b>Subtotal Direct Cost of</b>	<b>\$805,324</b>	<b>\$1,287,851</b>	<b>\$1,859,317</b>	<b>\$2,529,175</b>	<b>\$2,763,375</b>

### MILESTONES

The milestones table covers the early marketing activities described in the marketing strategy summary. The first two milestones (website and brochure) are budgeted under start-up expenses and the remainders are budgeted under the first year marketing budget for operations.

Milestones					
Milestone	Start Date	End Date	Budget	Manager	Department
Create Brochure	1/8/2022	5/8/2022	\$1,500	MA	Marketing
Create Website	1/9/2022	30/9/2022	\$2,000	MA	Marketing
Generate Mailing List	12/10/2022	17/10/2022	\$300	MA	Marketing
Direct Mail Distribution	18/10/2022	30/10/2022	\$600	MA	Marketing

<b>Run First Advertisements</b>	1/11/2022	7/11/2022	\$10,000	MA	Marketing
<b>Purchase of Land</b>	1/12/2022	30/1/2022	\$35,000	MA	Administration
<b>Maintanance of Yard/Office</b>	1/4/2022	31/11/2022	\$75,000	MA	Administration

## MANAGEMENT SUMMARY

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Vanilla Enterprises Co. Limited is constituted by the following management structure; Board of Directors, Managing Director who is responsible on the supervision on the entire operations of the Company, a company accountant, a General Manager who will be supervising general affairs of the project operation.

The personnel falling under this structure shall include the Head of Marketing and sales Head of Finance and Administration and Head Operations. The department of Operations shall have portfolio all logistics function of Vanilla Enterprises Co. Limited

The Chief Operating Officer position will be filled by a person having an experience in mechanics administration and clearing and forwarding experience and will be promoted after meeting certain milestones. The COO will manage operations, human resources, and procurement.

The business will require additional personnel including an administrator/dispatch center operator and a sales/marketing support associate. These individuals will be managed by the COO and the CEO, respectively. Five full-time truck drivers will be hired initially.

## PERSONNEL PLAN

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Truck driver salary listed here covers only wages paid which are not directly attributable to client jobs. This includes training, repair work, returns from deliveries, and other required driving with empty trucks. It is expected that this will be less than 20% of driver wages. Truck drivers will grow from five at launch to 10 full-time by the end of year 1, 10 full-time by the end of year 2, 10 full-time by the end of year 3, 10 fulltime by the end of year 4, and 10 fulltime by the end of year 5. There will be more full-time truck drivers than trucks as the business will attempt to utilize the capacity of the trucks at least 60 hours per week and will limit overtime of drivers.

The sales/marketing associate will be hired in the fourth month after the CEO has directly executed all sales and marketing operations for the first three months.



Personnel Plan	2022	2023	2024	2025	2026
CEO	1	1	1	1	1
COO	1	1	1	1	1
Mechanics	5	7	7	7	8
Administration/Finance	2	3	3	4	4
Truck Drivers	20	30	40	50	60
Clearing and Forwarding	3	4	4	4	6
Marketing & Logistics	2	2	3	5	5
Security	2	3	3	3	3
<b>Total number of staffs</b>	<b>36</b>	<b>51</b>	<b>62</b>	<b>75</b>	<b>88</b>

No.	Personnel Function / category	Employees Salaries				
		2021	2022	2023	2024	2025
	<b>Planning years</b>					
1	CEO	30,480	31,394	32,336	33,306	34,306
2	COO	14,880	15,326	15,786	16,260	16,748
3	Machenics	109,728	113,020	116,410	119,903	123,500
4	Administration & Finance	35,136	36,190	37,276	38,394	39,546
5	Truck Drivers	90,000	180,000	270,000	360,000	360,000
6	Clearing and forwarding	27,000	27,000	27,000	27,000	27,000
7	Logistics Manager	10,752	11,075	11,407	11,749	12,101
8	Procurement	23,808	24,522	25,258	26,016	26,796
9	Marketing and sales specialists	24,192	24,918	25,665	26,435	27,228
10	Security staffs	33,750	34,763	35,805	36,880	37,986
11	Accountants	29,520	30,406	31,318	32,257	33,225
<b>12</b>	<b>Total</b>	<b>429,246</b>	<b>528,613</b>	<b>628,262</b>	<b>728,200</b>	<b>738,436</b>

## FINANCIAL PLAN

Vanilla Enterprises Co. Limited will establish its business with five trucks and a launch financed by the owner and investor's equity. Starting debt-free will enable the business to take on debt once it has established cash flows to purchase additional trucks over the first five years. Profits will swing positive in the second year after a little profit in the first year.

Within the first five years, the business can sustain growth of at least three additional trucks per year, that is, five trucks in the first year, three trucks in the second year, and four trucks in each of the third, fourth and fifth year, and begin to add

additional bases of operation throughout the region so that truck drivers who do not live in the Dar es salaam area can be hired and trucks do not have to return to this base after all jobs.

Dividends will not be paid out in the first year, as cash will be used in the business to prepare for expansion to additional offices and purchase equipment on better terms going forward. After five years of operation, the business will make a further analysis and expand its operations through huge investment in purchasing more fleet and open branches in different parts of Tanzania.

### INVESTMENT START-UP & FUNDING

Shareholders will provide the minority of start-up funding out of her personal savings which is equivalent to 15% of the total investment. The business will acquire a bank loan which is amounting to 85% of the total investment.

Investment and depreciation plan						Total Investment
Planning years >>	2023	2024	2025	2026	2027	
Investment	USD	USD	USD	USD	USD	
Land & Building	-	-	-	-	-	
Plant & Machinery	20,000	20,000	40,000	-	-	80,000
Equipment	-	-	-	-	-	-
Vehicles	500,000	500,000	500,000	500,000	500,000	2,500,000
Furniture & Fittings	80,000	60,000	30,000	-	-	170,000
Working Capital	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total investment</b>	<b>650,000</b>	<b>630,000</b>	<b>620,000</b>	<b>550,000</b>	<b>550,000</b>	<b>3,000,000</b>
<b>Fixed assets accumulated: at cost</b>	<b>650,000</b>	<b>1,280,000</b>	<b>1,900,000</b>	<b>2,450,000</b>	<b>3,000,000</b>	
<b>Depreciation</b>						
Land & Building	-	-	-	-	-	
Plant & Machinery	800	1,600	3,200	3,200	3,200	
Equipment	-	-	-	-	-	
Vehicles	25,000	50,000	75,000	100,000	125,000	
Furniture & Fittings	26,667	46,667	56,667	56,667	-	
Working Capital	10,000	20,000	30,000	40,000	50,000	
<b>Total depreciation</b>	<b>62,467</b>	<b>118,267</b>	<b>164,867</b>	<b>199,867</b>	<b>178,200</b>	
<b>Total depreciation accumulated</b>	<b>62,467</b>	<b>180,733</b>	<b>345,600</b>	<b>545,467</b>	<b>723,667</b>	
<b>Net asset book value</b>	<b>587,533</b>	<b>1,099,267</b>	<b>1,554,400</b>	<b>1,904,533</b>	<b>2,276,333</b>	
Depreciation period: linear, in years						
Land & Building	25					
Plant & Machinery	25					
Equipment	20					
Vehicles	20					
Furniture & Fittings	3					
Working Capital	5					

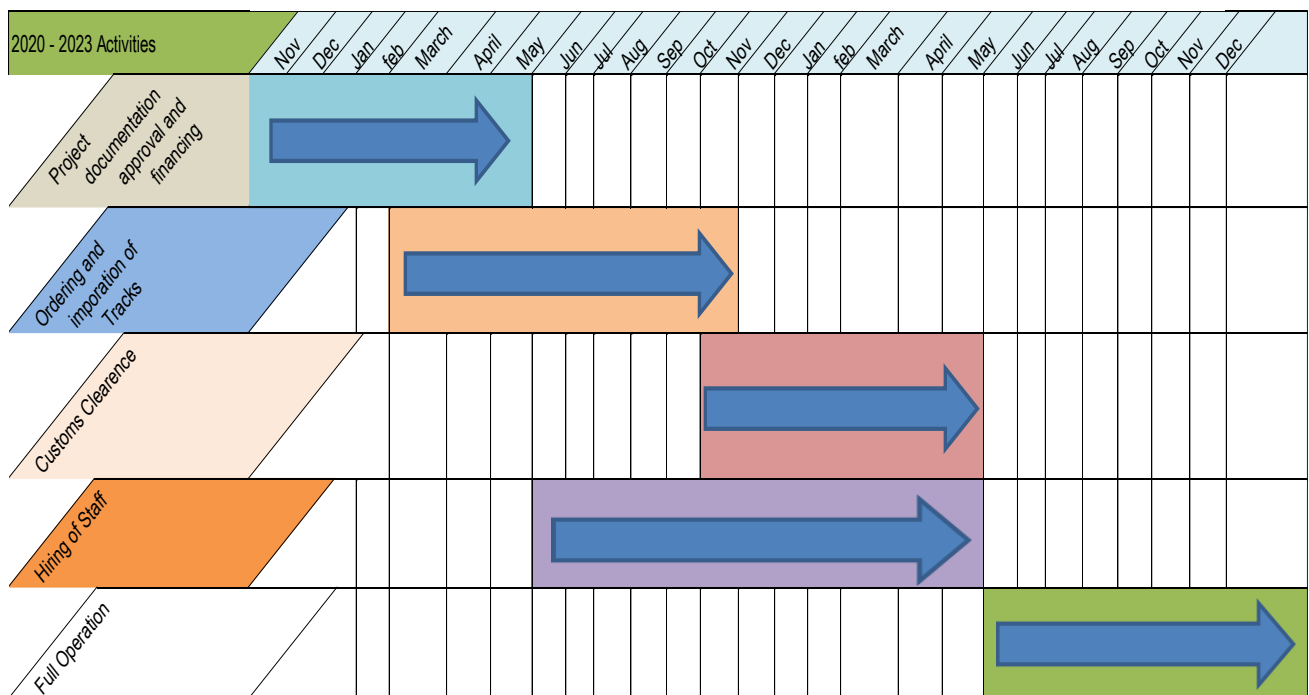
### TECHNICAL IMPLEMENTATION OF THE PROJECT

The implementations of this project with involve investment of the following equipment.

NO	ITEMS	QUATITY/UNITS
1.	Trucks Tractors	20
2.	Truck Trailers	20
3.	Semi-Trailers	10
4.	Pickups – for road patrol	2
5.	Communication equipment	4 sets
6.	Saloon Cars	5
7.	Mini bus	1
8.	Motor cycle	3
9.	Machinery & workshop equipment	
	• Electric chain bock	1
	• Manual chain Block	1
	• Gear pumps	2
	• Air pressure grease pump	1
	• Pressure washing machine	1
	• Generator	1
	• Compressor	2
	• Wedding set machines	1
	• Grinder	1

### PROJECT IMPLEMENTATION SCHEDULE

The project will need two to three years to be in full operational. It is projected that more time will be required for approval of relevant papers



<b>Financing plan</b>					
<b>Planning years &gt;&gt;</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Shareholders equity</b>	USD	USD	USD	USD	USD
Equity contribution (or	100,000	100,000	100,000	100,000	200,000
Share capital	100,000	200,000	300,000	400,000	600,000
<b>Long-term loans from bank</b>					
Loans drawn at the beginning of	480,000	480,000	480,000	480,000	480,000
Repayments made at the end of	8,922	31,498	145,207	272,877	581,798
Basis for interest calculation -	480,000	951,078	1,399,580	1,734,373	1,941,496
Interest rate	0.05	0.05	0.05	0.05	0.05
Interest expenses	24,000	47,554	69,979	86,719	97,075
<b>Loan balance: year end</b>	<b>471,078</b>	<b>919,580</b>	<b>1,254,373</b>	<b>1,461,496</b>	<b>1,359,698</b>
<b>Liquidity control</b>					
<b>Operating costs</b>	767,746	984,245	1,197,626	1,412,368	1,610,344
Minimum cash in relation to	0.2	0.2	0.2	0.2	0.2
Minimum cash balance required (to be available at the end of the	153,549	196,849	239,525	282,474	322,069
Actual cash balance at the end of	(378,733)	(373,386)	(242,600)	84,067	350,973
<b>Dept to equity relation control</b>					
Dept to equity ratio - planned	-147.2	4.3	2.1	1.3	0.8
Dept to equity ratio - acceptable	2	2	2	2	1.2
<b>Deposit of excess liquidity to a bank account</b>					
Amount deposited (at the end of	16000	18000	20000	22000	24000
Total amount deposited (per end of year) - basis for the interest	0	16000	34000	54000	76000
Total amount deposited (per end of year) - basis for the balance	16000	34000	54000	76000	100000
Interest rate	0.04	0.04	0.04	0.04	0.04

### IMPORTANT ASSUMPTIONS

The business assumes the cost of fuel at an average of the past two years, slightly higher than today's fuel prices. This is considered a conservative estimate as it is possible that fuel will stay below this number during at least part of the start-up phase. However, if fuel becomes significantly more expensive, the gross margins of the business will drop.

The sources of revenues will be generated from shipped cargos and cargo and clearing forwarding activities.



## PROJECTED PROFIT AND LOSS

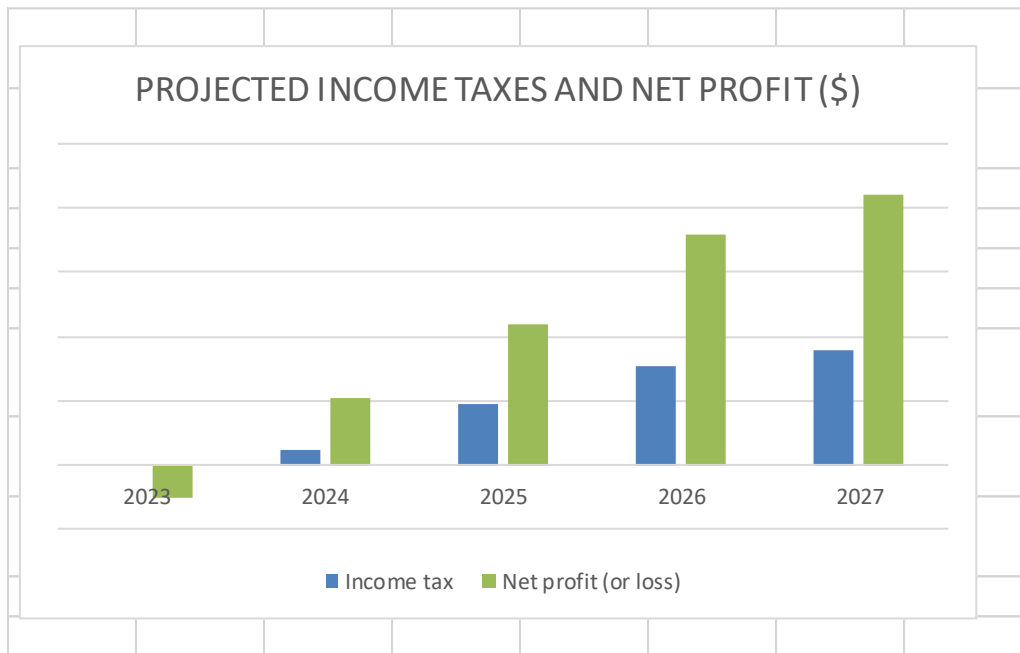
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### Major expenses include:

- **Payroll:** Covers the management, staff, and truck driver wages (when not directly attributed to jobs)
- **Marketing/Promotion:** Projected higher in the first year and then dropping due to extra marketing devoted to the launch and the weaning off of search engine marketing over time
- **Depreciation:** Reflects the growing investment in trucks and equipment over the years. Trucks are depreciated on a 15% a year straight-line schedule. The depreciation is \$500 per month per truck or \$550 per month including the additional equipment purchased with each truck. The business will grow from five trucks at the end of year 1 to eight at the end of year 2 to twelve at the end of year 3, sixteen at the end of year 4, and eighteen at the end of year 5.
- **Truck Maintenance/Repair:** Estimated at \$650 per month per truck to start and rising to \$2,250 in year 3 due to aging of some of the first trucks purchased.
- **Rent & Utilities:** Projected to rise slightly due to inflationary increases
- **Insurance:** Will grow with the number of trucks and size of operations
- **Payroll Taxes:** Applied to payroll is Skills and Development Levy (SDL) also a 10% employer contribution to pension fund for its staff members.
- **Licensing and Permitting:** Include ongoing renewals of licenses and additional licenses for new trucks as they are purchased.

The business expects a net profit in the first year as operations and sales scale up appropriately. Net profits will continue to grow in the second year.





<b>Projected Income statement</b>					
<b>Planning years &gt;&gt;</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Total net sales</b>	<b>780,000</b>	<b>1,443,600</b>	<b>2,110,800</b>	<b>2,781,600</b>	<b>3,150,000</b>
Kms of Shipping	630,000	1,263,600	1,900,800	2,541,600	2,880,000
Clearing & Fowarding	150,000	180,000	210,000	240,000	270,000
<b>Total revenues</b>	<b>780,000</b>	<b>1,443,600</b>	<b>2,110,800</b>	<b>2,781,600</b>	<b>3,150,000</b>
<b>Cost of goods sold COGS</b>	<b>605,124</b>	<b>815,563</b>	<b>1,026,173</b>	<b>1,237,031</b>	<b>1,431,007</b>
Energy & other utilities	15,600	28,872	42,216	55,632	63,000
salaries	577,224	762,931	948,809	1,134,863	1,321,099
Other production costs	12,300	23,760	35,148	46,536	46,908
<b>Gross profit</b>	<b>174,876</b>	<b>628,037</b>	<b>1,084,627</b>	<b>1,544,569</b>	<b>1,718,993</b>
<b>Selling, general and administrative expenses SG&amp;A</b>	<b>162,622.00</b>	<b>168,682.66</b>	<b>171,453.14</b>	<b>175,336.73</b>	<b>179,336.84</b>
Salaries	122,022.00	125,682.66	129,453.14	133,336.73	137,336.84
Workspace	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Marketing & sales expenses	15,600.00	18,000.00	17,000.00	17,000.00	17,000.00
General office and utilities expenses	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
<b>Operating profit / EBITDA</b>	<b>12,254</b>	<b>459,355</b>	<b>913,174</b>	<b>1,369,232</b>	<b>1,539,656</b>
Depreciation	62,467	118,267	164,867	199,867	178,200
Interest expenses (loan from	24,000	47,554	69,979	86,719	97,075
Interest income from investments (bank deposit)	-	640	1,360	2,160	3,040
Extraordinary charges (or incomes)	30,000	40,000	50,000	60,000	70,000
Currency exchange adjustments					
Fees and provisions	20,000	25,000	30,000	35,000	40,000
Other	10,000	15,000	20,000	25,000	30,000
<b>Income tax</b>	<b>-</b>	<b>44,796</b>	<b>188,499</b>	<b>306,794</b>	<b>358,314</b>
<b>Net profit (or loss)</b>	<b>(104,213)</b>	<b>209,378</b>	<b>441,190</b>	<b>718,013</b>	<b>839,107</b>

## PROJECTED CASH FLOW

Purchases of new trucks will be made within 5 years loans for 85% of the purchase price. The remaining 15% plus additional equipment (forklift, etc) for each purchase will be made in cash. Three additional trucks will be purchased in second year with a loan, four in the third year, and three in the fourth and fifth year.

<b>Projected Cash flow statement</b>					
Planning years >>	2023	2024	2025	2026	2027
	USD	USD	USD	USD	USD
<b>Cash flow from operating activities</b>					
<b>Operating profit (EBITDA)</b>	<b>12,254</b>	<b>459,355</b>	<b>913,174</b>	<b>1,369,232</b>	<b>1,539,656</b>
Interest expenses	(24,000)	(47,554)	(69,979)	(86,719)	(97,075)
Interest income from investments (bank deposit)	-	640	1,360	2,160	3,040
Extraordinary charges (or incomes)	(30,000)	(40,000)	(50,000)	(60,000)	(70,000)
Income tax	-	(44,796)	(188,499)	(306,794)	(358,314)
Movements in working capital					
Decrease (or - increase) in accounts receivable	(192,329)	(163,627)	(164,515)	(165,403)	(90,838)
Decrease (or - increase) in inventories	(198,945)	(69,185)	(69,242)	(69,323)	(63,773)
Increase (or - decrease) in accounts payable	149,209	51,889	51,931	51,992	47,830
Increase (or - decrease) in other provisions	-	-	-	-	-
<b>Total cash flow from operating activities</b>	<b>(283,811)</b>	<b>146,721</b>	<b>424,231</b>	<b>735,146</b>	<b>910,526</b>
<b>Cash flow from investing activities</b>					
Sale (or - purchase) of fixed assets	(650,000)	(630,000)	(620,000)	(550,000)	(550,000)
cash placed in the deposit account	(16,000)	(18,000)	(20,000)	(22,000)	(24,000)
<b>Total cash flow from investing activities:</b>	<b>(666,000)</b>	<b>(648,000)</b>	<b>(640,000)</b>	<b>(572,000)</b>	<b>(574,000)</b>
<b>Free cash flow</b>	<b>(949,811)</b>	<b>(501,279)</b>	<b>(215,769)</b>	<b>163,146</b>	<b>336,526</b>
<b>Cash flow from financing activities</b>					
Long term loans drawn	480,000	480,000	480,000	480,000	480,000
Repayments of loans made	(8,922)	(31,498)	(145,207)	(272,877)	(581,798)
Equity contribution (or - withdrawal)	100,000	100,000	100,000	100,000	200,000
Dividend paid	-	(41,876)	(88,238)	(143,603)	(167,821)
<b>Total cash flow from financing activities</b>	<b>571,078</b>	<b>506,626</b>	<b>346,555</b>	<b>163,520</b>	<b>(69,619)</b>
<b>Total net increase (- decrease) in cash</b>	<b>(378,733)</b>	<b>5,347</b>	<b>130,786</b>	<b>326,666</b>	<b>266,906</b>
<b>Cash balance: beginning of the year</b>	<b>-</b>	<b>(378,733)</b>	<b>(373,386)</b>	<b>(242,600)</b>	<b>84,067</b>
<b>Cash balance: end of the year</b>	<b>(378,733)</b>	<b>(373,386)</b>	<b>(242,600)</b>	<b>84,067</b>	<b>350,973</b>

## PROJECTED BALANCE SHEET

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The balance sheet illustrates the launch of the business on equity financing and augmented by safe debt over its first three years of operation to purchase additional trucks. This will allow cash and assets, as well as net worth, to continue to grow.

Retained earnings will be very little due to the profit sustained in the first year of operation and the start-up phase, but will be steadily growing in the second due to health performance rates.



<b>Projected Balance sheet</b>					
Planning years >>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Long-term assets</b>	USD	USD	USD	USD	USD
Fixed assets: property, plant and equipment	587,533	1,099,267	1,554,400	1,904,533	2,276,333
<b>Total long-term assets</b>	<b>587,533</b>	<b>1,099,267</b>	<b>1,554,400</b>	<b>1,904,533</b>	<b>2,276,333</b>
<b>Current assets</b>					
Cash & cash equivalents (current account)	(378,733)	(373,386)	(242,600)	84,067	350,973
Deposit account	16,000	34,000	54,000	76,000	100,000
Accounts receivable	192,329	355,956	520,471	685,874	776,712
Inventories	198,945	268,130	337,372	406,695	470,468
<b>Total current assets</b>	<b>28,541</b>	<b>284,700</b>	<b>669,243</b>	<b>1,252,636</b>	<b>1,698,153</b>
<b>Total assets</b>	<b>616,074</b>	<b>1,383,967</b>	<b>2,223,643</b>	<b>3,157,169</b>	<b>3,974,486</b>
<b>Long-term liabilities</b>					
Long-term loans	471,078	919,580	1,254,373	1,461,496	1,359,698
<b>Total long-term liabilities</b>	<b>471,078</b>	<b>919,580</b>	<b>1,254,373</b>	<b>1,461,496</b>	<b>1,359,698</b>
<b>Current liabilities</b>					
Accounts payable	149,209	201,098	253,029	305,021	352,851
Other provisions	-	-	-	-	-
<b>Total current liabilities</b>	<b>149,209</b>	<b>201,098</b>	<b>253,029</b>	<b>305,021</b>	<b>352,851</b>
<b>Shareholders equity</b>					
Share capital	100,000	200,000	300,000	400,000	600,000
Reserves	-	10,469	41,352	113,153	197,064
Retained earnings (or - accumulated)	(104,213)	52,821	374,889	877,498	1,464,873
<b>Total shareholders' equity</b>	<b>(4,213)</b>	<b>263,289</b>	<b>716,241</b>	<b>1,390,652</b>	<b>2,261,937</b>
<b>Total liabilities &amp; equity</b>	<b>616,074</b>	<b>1,383,967</b>	<b>2,223,643</b>	<b>3,157,169</b>	<b>3,974,486</b>



## BUSINESS RATIOS

<b>Ratio summary sheet</b>					
<b>Planning years &gt;&gt;</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Liquidity ratios</b>					
Current ratio	0.2	1.4	2.6	4.1	4.8
Quick test ratio	-1.1	0.1	1.3	2.8	3.5
<b>Efficiency ratios</b>					
Inventory turnover -days	120.0	120.0	120.0	120.0	120.0
Accounts receivable turnover -days	90.0	90.0	90.0	90.0	90.0
Accounts payable turnover -days	90.0	90.0	90.0	90.0	90.0
Fixed asset turnover	1.3	1.3	1.4	1.5	1.4
Total asset turnover	1.3	1.0	0.9	0.9	0.8
<b>Profitability ratios</b>					
Gross profit margin	0.2	0.4	0.5	0.6	0.5
Net profit margin	-0.1	0.1	0.2	0.3	0.3
Operating profit margin	0.0	0.3	0.4	0.5	0.5
Return on assets	-0.2	0.2	0.2	0.2	0.2
Return on equity	24.7	0.8	0.6	0.5	0.4
Dividend payout	0.0	0.2	0.2	0.2	0.2
<b>Solvency ratios</b>					
Debt to equity ratio	-147.2	4.3	2.1	1.3	0.8
Total assets to equity ratio	-146.2	5.3	3.1	2.3	1.8
Total assets to total liabilities ratio	1.0	1.2	1.5	1.8	2.3
Capitalisation ratio	1.0	0.8	0.6	0.5	0.4
Interest coverage ratio	0.5	9.7	13.0	15.8	15.9



## APPENDIX

### Salaries - Cost of goods sold COGS

No.	Personnel Funtion / category	Number of employees					Expected annual salary increase %	Annual salary (1)/ employee USD					Social insurance as % of salary	Training expenses as % of salary	Fringe benefits as % of salary	Total cost / employee USD					Total cost / category USD					
		2021	2022	2023	2024	2025		2021	2022	2023	2024	2025				2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	
		1	CEO	1	1	1		1	1	3%	24,000	24,720				25,462	26,225	27,012	20.00%	5.00%	2.00%	30,480	31,394	32,336	33,306	34,306
2	COO	1	1	1	1	1	3%	12,000	12,360	12,731	13,113	13,506	20.00%	2.00%	2.00%	14,880	15,326	15,786	16,260	16,748	14,880	15,326	15,786	16,260	16,748	
3	Machernics	6	6	6	6	6	3%	14,400	14,832	15,277	15,735	16,207	20.00%	5.00%	2.00%	18,288	18,837	19,402	19,984	20,583	109,728	113,020	116,410	119,903	123,500	
4	Administration & Finance	2	2	2	2	2	3%	14,400	14,832	15,277	15,735	16,207	20.00%	1.00%	1.00%	17,568	18,095	18,638	19,197	19,773	35,136	36,190	37,276	38,394	39,546	
5	Truck Drivers	5	10	15	20	20	0%	18,000	18,000	18,000	18,000	18,000	0.00%	0.00%	0.00%	18,000	18,000	18,000	18,000	18,000	90,000	180,000	270,000	360,000	360,000	
6	Clearing and fowarding	3	3	3	3	3	0%	9,000	9,000	9,000	9,000	9,000	0.00%	0.00%	0.00%	9,000	9,000	9,000	9,000	9,000	27,000	27,000	27,000	27,000	27,000	
7		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
8		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
9		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
10		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
11		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
12		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>		<b>18</b>	<b>23</b>	<b>28</b>	<b>33</b>	<b>33</b>															<b>307,224</b>	<b>402,931</b>	<b>498,809</b>	<b>594,863</b>	<b>601,099</b>	

### Salaries - Selling, general and administrative expenses SG&A

No.	Personnel Funtion / category	Number of employees					Expected annual salary increase %	Annual salary (1)/ employee USD					Social insurance as % of salary	Training expenses as % of salary	Fringe benefits as % of salary	Total cost / employee USD					Total cost / category USD					
		2021	2022	2023	2024	2025		2021	2022	2023	2024	2025				2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	
		1	Logistics Manager	1	1	1		1	1	3%	8,400	8,652				8,912	9,179	9,454	20.00%	5.00%	3.00%	10,752	11,075	11,407	11,749	12,101
2	Procurement	2	2	2	2	2	3%	9,600	9,888	10,185	10,490	10,805	20.00%	2.00%	2.00%	11,904	12,261	12,629	13,008	13,398	23,808	24,522	25,258	26,016	26,796	
3	Marketing and sales specialists	2	2	2	2	2	3%	9,600	9,888	10,185	10,490	10,805	20.00%	4.00%	2.00%	12,096	12,459	12,833	13,218	13,614	24,192	24,918	25,665	26,435	27,228	
4	Security staffs	3	3	3	3	3	3%	9,000	9,270	9,548	9,835	10,130	20.00%	4.00%	1.00%	11,250	11,588	11,935	12,293	12,662	33,750	34,763	35,805	36,880	37,986	
5	Accountants	2	2	2	2	2	3%	12,000	12,360	12,731	13,113	13,506	20.00%	2.00%	1.00%	14,760	15,203	15,659	16,129	16,613	29,520	30,406	31,318	32,257	33,225	
6		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
7		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
8		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
9		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
10		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
11		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
12		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>															<b>122,022</b>	<b>125,683</b>	<b>129,453</b>	<b>133,337</b>	<b>137,337</b>	
<b>Total</b>		<b>28</b>	<b>33</b>	<b>38</b>	<b>43</b>	<b>43</b>															<b>429,246</b>	<b>528,613</b>	<b>628,262</b>	<b>728,200</b>	<b>738,436</b>	