



2022 - 2024

# BUSINESS PLAN

SALIM ABDALLAH SALIM  
ZANEX LOGISTICS LIMITED

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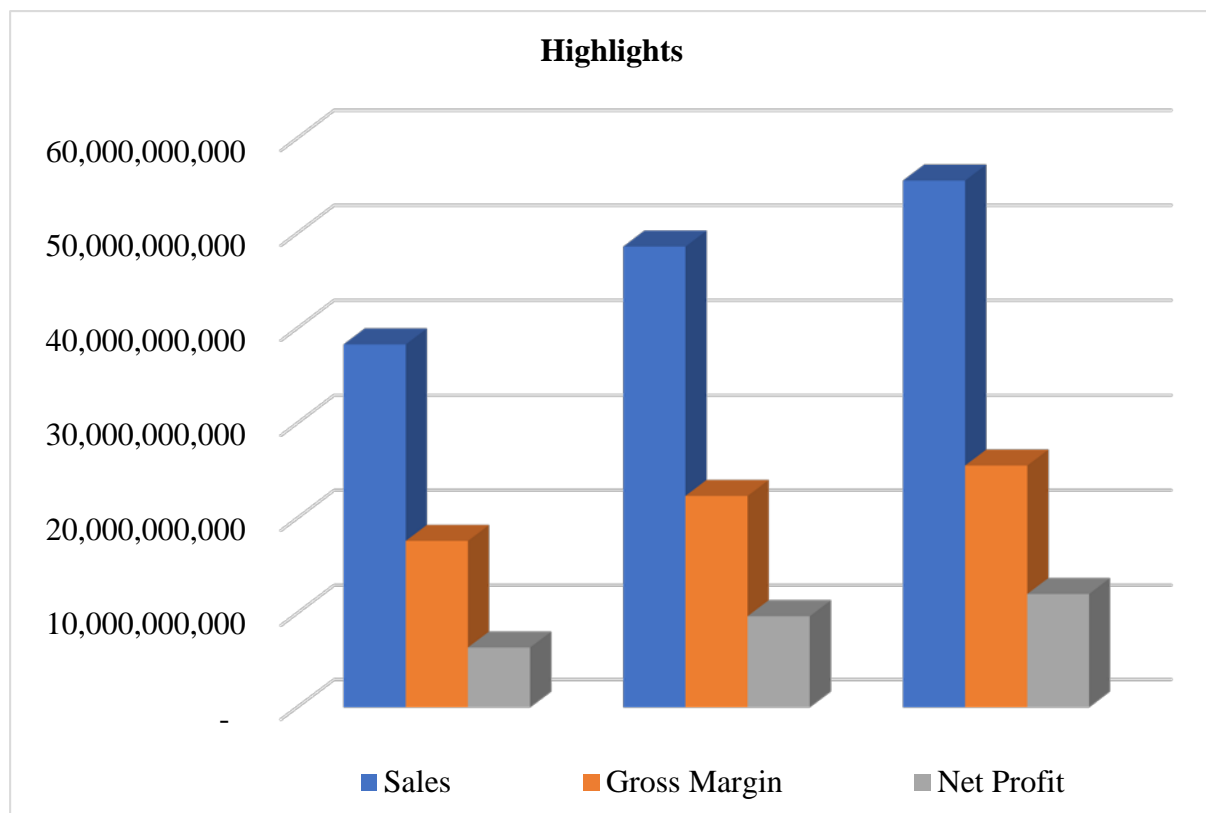
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## EXECUTIVE SUMMARY

Zanex Logistics Limited is a new medium- and long-haul freight transport company based on Dar es Salaam and founded by expert entrepreneur Salim Abdallah Salim. Zanex Logistics Limited will serve businesses in the East and Central Africa region (eventually expanding to include Tanzania, Kenya, Uganda, Rwanda, Burundi, Zambia and Democratic Republic of Congo) 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 Zanex Logistics Limited's services and scheduling automatically. The business will be managed by Salim Abdallah Salim, CEO, and a Chief Operating Officer.

Zanex Logistics Limited can be launched for about TZS 39,116,610,000 largely with the loan and investment of shareholders, and with some investment by investing partners. The business will be launched with fifty tipper trucks and one hundred and twenty 18-wheeler trucks using auto loans to finance this expansion. Gross margins will be around 54%, allowing for significant profit by the end of the third year as the business scales up.

Beyond three years, the business will seek to expand to additional bases of operation and to add trucks with refrigerated and temperature-controlled trailers.



## Objectives

Zanex Logistics Limited intends to serve businesses in the East and Central Africa region (eventually expanding to include Tanzania, Kenya, Uganda, Rwanda, Burundi, Zambia and Democratic Republic of Congo) with truck-based distribution services.

Over the first three years of operations, Zanex Logistics Limited will seek to meet the following objectives:

- Establish bases in Dar es Salaam, Tanzania
- Purchase fifty tipper trucks and one hundred and twenty 18-wheeler trucks with dry van trailers
- Hire 170 full-time truck drivers
- Achieve strong annual revenue based on many miles of freight transportation in the third year

### **Mission**

Zanex Logistics Limited Trans will simplify distribution of oil and other goods for Dar es Salaam and other East and Central Africa businesses, becoming their partner in operating efficiently and reliably. Zanex Logistics Limited will use management of logistics, on-time, accurate deliveries from destination to destination in the East and Central Africa, and partnerships with distribution centers and warehousing businesses to achieve its goals.

### **Keys to Success**

The keys to success in the Zanex Logistics Limited freight transportation 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 as well as in-house mechanics to handle maintenance and repairs
4. Understanding what clients are trying to achieve, and helping them find the right distribution solution to create long-term relationships
5. Having systematic maintenance routines
6. Charging competitive rates to our customers with regard to national authorities' standards

### **Business Summary**

Zanex Logistics Limited, a start-up freight transport business headquartered in Dar es Salaam, Tanzania will provide freight transport by road solutions and services for business clients in the East and Central Africa countries. Beginning with operations in Tanzania, the business will haul freight from suppliers to manufacturers to distributors and retailers, operating in partnership with oil suppliers, distribution centers, warehouses, and wholesalers.

### **Business Ownership**

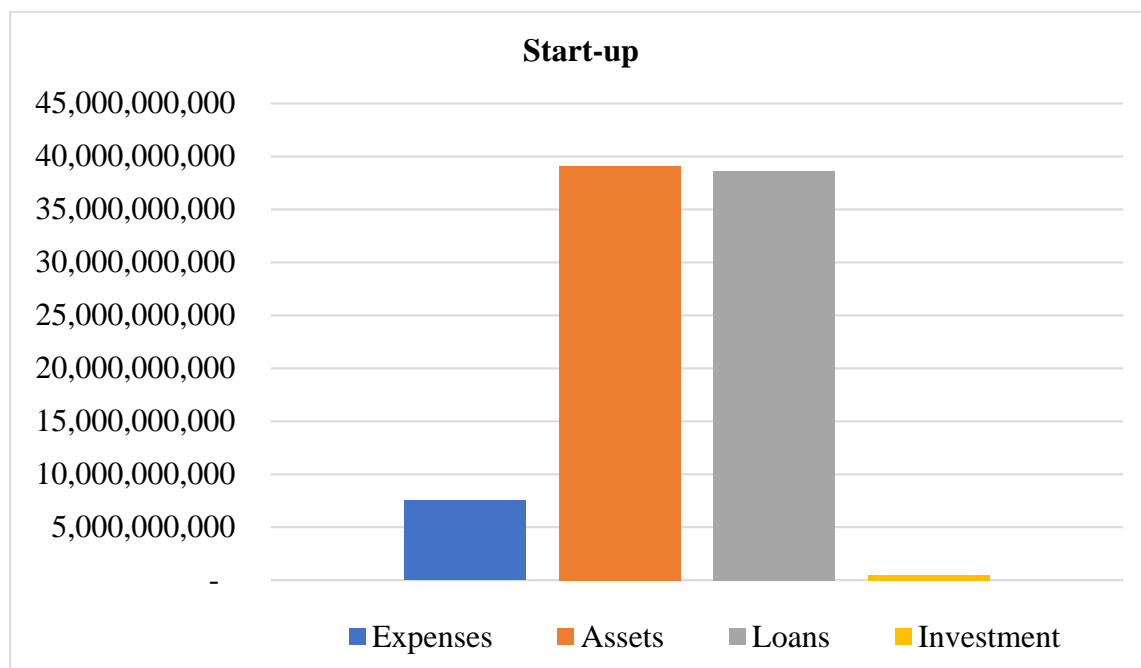
Zanex Logistics Limited was founded by Salim Abdallah Salim, Abdul-Halim Hafidh Ameir and Maulidi Jumanne Maulid previous owners of a different businesses. Zanex Logistics Limited has been established as a limited liability company. Directors share ownership at the ration of Salim Abdallah Salim 250 Ordinary Shares, Abdul-Halim Hafidh Ameir 350 Ordinary Shares and Maulidi Jumanne Maulid 250 Ordinary Shares.

## Start-up Summary

The start-up expenses include some of the basic set-up costs for the Zanex Logistics Limited office – stationery (business cards and letterhead), rent for the office and a large adjacent parking lot for one year’s rent and one year’s security at TZS 1,170,000 per month, and 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.

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 fifty tipper trucks estimated at TZS 182,520,000 each, one hundred and twenty new 18-wheelers, estimated at TZS 245,700,000 each (approximately TZS 135,720,000 for the cab and TZS 109,980,000 for the trailer). The business will purchase new in order to better ensure that deliveries are made on time and that the usual risks of aging equipment are avoided. TZS 280,800,000 is budgeted for three fork lifts estimated at TZS 93,600,000 each, one per truck. TZS 210,600,000 is budgeted for three patrol vehicles estimated at TZS 70,200,000 each, one per vehicle. An additional TZS 81,900,000 is budgeted for long-term assets including standby generator, repair equipment and tools which it 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, Zanex Logistics Limited will maintain greater control over the service it offers by owning the trucks, ensuring that it always lives up to its name.



## **PRODUCT AND SERVICES**

### **Product and Services**

Zanex Logistics Limited will provide freight transportation services. Zanex Logistics Limited will particularly offer the following services for businesses:

- Pick-up and delivery of goods and materials from and to locations in its geographic range by tippers and 18-wheeler trucks hauling dry van trailers
- Both “less than a truck load” and “truck load” services
- Flatbed hauling
- 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 Zanex Logistics Limited’s scheduling software to allow for seamless logistics

To maintain its competitiveness in its core services, Zanex Logistics 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

A few keys to maintaining a successful freight transportation operation are to:

- Find a niche and dominate it
- Have an inbound load for every outbound load
- Ensure that customers can easily and quickly place orders for shipping merchandise short or long distances throughout the local and regional area

At Zanex Logistics Limited trucks will be operated by qualified and well-trained drivers with spotless records. Drivers will be 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.

### **Sourcing and Fulfilment**

As previously noted, Zanex Logistics Limited will initially fill orders as an independent contractor for other trucking companies. The only thing required on the part of the Company to fulfil these initial orders will be a freight truck and drivers.

Zanex Logistics Limited will make sure that each transportation order is handled in a safe and professional manner. Important to maintaining and developing successful business operations is the ability to consistently deliver high quality freight at reasonable prices. With the fluctuating and oftentimes increasing price of diesel fuels, it is especially important that Zanex Logistics Limited develop and implement strategies to minimize the possibility of mistakes in fulfilling orders.

## **Technology**

Zanex Logistics Limited will use the internet, email and telephone communication to disseminate information, take orders and plan deliveries.

In the future, Zanex Logistics Limited will make improvements such as utilizing top-of-the-line trucking software that tracks information detailing the location of all GPS-tagged trucks and the status of deliveries, including expected arrival times for pick-up or delivery.

## **Future Products and Services**

After the first 2 years in business, Zanex Logistics Limited plans to expand its services by entering into contracts directly with vendor as opposed to only serving as an independent contractor for other trucking companies. This will allow Zanex Logistics Limited to increase revenue while having more freedom in job selection.

In the future, Zanex Logistics Limited will add the following services:

- Temperature-controlled shipping to expand the range of customers Zanex Logistics Limited can appeal to.

## **INDUSTRY ANALYSIS**

### **Global Logistics Industry Overview**

According to Research and Market, “the global logistics market was worth 10.32 Billion USD in 2021 and it is estimated to grow to 12.68 Billion USD by 2023 with CAGR (Compound Annual Growth Rate) of 3.49% between 2022 and 2023.”

Reasons cited for this predicted growth are an increase in global trade activities in developing economies, a rise in trade-related agreements, and advancements in information technology and transportation. The Asia Pacific region is predicted to be the leader of the global logistics market in the future.

### **Global Logistics Market Trends**

The global logistics market reached a value of US\$ 4.92 Trillion in 2021. Looking forward, we expect the market to reach US\$ 6.55 Trillion by 2027, exhibiting at a CAGR of 4.7% during 2022-2027.

The thriving e-commerce industry, along with the increasing availability of high-speed network connectivity, represents one of the key factors positively influencing the market. As the e-commerce business is growing significantly, the demand for efficient logistics services is increasing. In addition, the shifting consumer preference toward online purchasing is driving the market. Online retail channels offer convenient home delivery services that are supporting the growth of the market. Apart from this, the manufacturers are focusing on adopting green logistic solutions to reduce the environmental impact and improve the green credentials of their businesses. They are also offering logistics monitoring systems integrated with advanced technologies, such as blockchain, augmented reality (AR), artificial intelligence (AI), and the internet of things (IoT). These systems track real-time information and provide predictive alerts of warehouse management, transportation, and delivery of the products. Furthermore, a significant rise in globalization and the increasing trade agreements among various countries

are catalyzing the demand for logistics to keep pace with the growing needs of importers and exporters. Moreover, the flourishing pharmaceutical, food, and beverage (F&B), and e-commerce industries are propelling the market growth.

### **Tanzania Logistics Industry Overview**

Logistics refers to the process of storing and transporting resources, such as equipment, inventory, food, liquids, and materials, from one location to the desired destination. It includes the management of the flow of goods from production to the point of consumption to meeting the requirement of customers. It helps enterprises create additional value, save costs, deliver a better customer experience, and improve brand reputation. At present, various organizations around the world are focusing on strategic logistics management to reduce their transport expenses.

As of 2020, transportation and material moving accounted for 7.1% of all Tanzania jobs employing one of the largest workforces in the country, surpassed only by food service, sales related occupations, and administrative careers. This number is expected to grow.

The Tanzania economy is predicted to continue the pattern of growth we've seen in the past few years, with an increasing gross domestic product (GDP), as well as unemployment and inflation rates rising slower than country target estimates. This trend will result in job growth, particularly in industries like construction, which is a key indicator of freight demand.

### **Significance of Logistics Industry**

Logistics involves the process of planning, implementing, and controlling the flow of raw materials and finished goods, and it is there from the point of origin to the end of consumption of any product. It plays a vital role in the economic growth of any country.

The logistics industry contributes to the economy by creating work opportunities, helping industries do business efficiently, and offering support to most manufacturing industries.

Tanzania is a country in East Africa with the 12th largest economy in Africa and the 2nd largest in the East African region. As per a report based on the recent data from the World Bank, the contribution of Logistics to Tanzania's GDP during the last decade is very significant.

This country relies mainly on the agricultural processing and mining industries. Agriculture contributes approximately 24.5% of the country's GDP and almost 85% of all countries' exports. In this scenario, the logistics' role becomes more relevant because export is entirely dependent on the logistics sector.

The logistics industry in Tanzania plays an essential role in growing and improving the other industries as well. So here we are going to talk about the significance of logistics in Tanzania and the world.

Logistics helps in cost reduction and thus maximizes the profit. This becomes possible due to improved material handling, safe and speedy transportation, convenient location of warehouses, etc.

Logistics mainly helps in the efficient flow of manufacturing operations. It makes on-time delivery of raw materials possible and results in the proper utilization of these materials and then finished goods.

Logistics provides a competitive edge to the industry by increasing sales by providing better customer service, which is only possible due to logistics. It helps to arrange for a reliable delivery without errors in order processing of any product.

Moreover, logistics help in developing an effective communication system for any enterprise as well. Because of the continuous interaction with suppliers and delivery, companies can improve customer service.

It also helps in inventory management, which is a significant part of production management. How to ensure an adequate inventory can be answered by logistic management. Today, all types of industries in the world are dependent on the logistics sector. So it is the essential requirement of any enterprise which has a supply chain.

### **Market Needs**

According to the Ministry of Transportation, at least 66% of all shipments are delivered by track. This means that all goods transported in Tanzania are primarily transported and delivered by road through trucks leaving an overwhelming need for drivers and companies to deliver said goods. According to our research demand is driven by consumer spending and manufacturing output. The profitability of individual companies depends on efficient operations. Large companies have advantages in account relationships, bulk fuel purchasing, fleet size, and access to drivers. Small operations can compete effectively by providing quick turnaround, serving a local market, or transporting unusually sized goods.

Large established companies tend to have their own truck fleets, but many smaller companies outsource the freight transportation function. The latter vary in the scale of their operations, but have a steady demand for reliable transportation solutions. Zanex Logistics Limited will actively solicit such customers to meet this need.

Market research shows that customers in the trucking industry are price sensitive, and they value on-time deliveries, special handling capabilities, and less-than-truckload orders. Customer referrals also strongly influence the buying decisions of these customers. Zanex Logistics Limited has taken this into consideration as it prepares its marketing plan.

### **Tanzania Market Trends**

Any economy's ability to perform economically depends on logistics and warehousing. According to our feasibility study the market is anticipated to benefit from the expansion of infrastructure and construction industries. In addition, it will grow from increased industrial activity, e-commerce, and an influx of foreign businesses into the East and Central Africa region during the projected period of 2023.

The rise of the freight forwarding market in the region was significantly influenced by the food and beverages, construction and industrial sectors. Due to improvements in the road infrastructure, it was found that road freight was the most desired mode of transportation, followed by air and sea freight. There are several challenging terrains in the region that are



## **Market Accessibility by Road**

Our Company has identified ten main corridors with a total length of about 15,000 km, which facilitates accessibility to the market in the East and Central African Region. These are roads of strategic importance in facilitating trade and require to be kept in excellent condition. In order to ensure a high level of serviceability, the EAC in collaboration with Partner States has put in place a collaboration platform with development partners in order to mobilize funds for the development of these corridors.

We have identified ten main corridors (a total length of about 14,460 km) that facilitate import and export activities in the East and Central African region: The ten major road transport corridors are:

### **1. Northern Corridor Mombasa**

Nairobi – Nakuru – Eldoret – Bungoma – Malaba – Bugiri – Jinja – Kampala – Masaka – Katuna/Gatuna – Kigali – Nemba/Gasenya – Ngozi - Kayanza – Bugarama - Bujumbura

Corridor Length (rounded): 2,080km

### **2. Central Corridor**

Dar es Salaam – Morogoro – Dodoma – Singida – Nzega – Tinde – Isaka - Lushunga to:

- (i) Gisenyi via Rusumo and Kigali
- (ii) Bujumbura via Nyakasanza, Kobero and Gitega
- (iii) Masaka via Bukoba and Mutukula

Corridor Length (rounded): 2,170km

### **3. Dar es Salaam (TAZARA) Corridor**

Morogoro – Iringa – Mbeya -Tunduma

Corridor Length (rounded): 1,100km

### **4. Namanga Corridor**

Iringa – Dodoma - Babati – Arusha – Namanga – Nairobi – Thika -Murang’a – Embu – Nyeri – Nanyuki – Isiolo – Marsabit - Moyale

Corridor Length (rounded): 1,800km

### **5. Sumbawanga Corridor**

Tunduma – Sumbawanga –Mpanda – Uvinza – Kasulu – Manyovu/Mugina – Makamba - Nyanza Lac – Rumonge -Bujumbura

Corridor Length (rounded): 1,260km

## **6. Sirari Corridor**

Biharamulo – Mwanza – Musoma - Sirari/Isebania – Kisii - Kisumu – Kakamega – Webuye - Kitale - Lodwar Lokichokio

Corridor Length (rounded): 1,500km

## **7. Coastal Corridor**

Mingoyo - Dar es Salaam - Bagamoyo – Tanga – Horohoro/Lunga lunga – Kwale – Mombasa – Kilifi – Malindi - Lamu

Corridor Length (rounded): 1,500km

## **8. Mtwara Corridor**

Mtwara – Mingoyo – Masasi –Tunduru – Songea - Mbamba Bay

Corridor Length (rounded): 800km

## **9. Tanga Corridor**

Tanga – Arusha – Musoma – Lake Victoria - Kampala

Corridor Length (rounded): 1,650km

## **10. Gulu Corridor**

Nimule – Bibia – Gulu – Lira – Soroti – Mbale - Tororo

Corridor Length (rounded): 600km

## **Future Prospects**

In the forthcoming years, Tanzania’s market growth is anticipated to be attributed to the warehousing segment's higher growth rate than the dominant freight forwarding segment. In order to offer better customer service, logistics organizations are anticipated to invest in cutting-edge technological solutions including autonomous logistics, real-time tracking, and automation. Incorporating cutting-edge technology-based solutions can aid logistics service providers in efficiently delivering goods in light of the expanding global trade. Additionally, construction industries will be the main factor for the growth, which has sparked a wave of construction projects in the nation, increasing trade and storage activities

## **Key Players**

Some major key player companies in Tanzania’s Logistics Industry are Bravo Logistics, Ostrich Transport & Logistic Company Ltd, Arusha Freight & Transport Agency, Wenson Logistics Co. Ltd, DTS Logistics Company Limited, KRB Freight Co. Ltd, SAS Logistics Ltd, Astraline Logistics, LGT Logistics Tz, Malawi Cargo Centres Ltd, Sino Logistics Co Ltd and some others.

## MARKET ANALYSIS

### Market Analysis Summary

The Tanzania commercial trucking industry serves as a key link between raw material suppliers, manufacturers, wholesalers, distributors, and retailers in most industries. The industry includes dry van, flatbed, refrigerated and bulk/tank trucking over short-haul (up to 100 miles), medium-haul (100 to 250 miles), and long-haul (250 miles and up).

Zanex Logistics Limited will compete in the market for medium and long haul freight transport in the East and Central Africa. This market serves businesses ranging from the oil, packaged goods/grocery industry to the clothing industry to high-tech equipment, as well as commercial relocations.

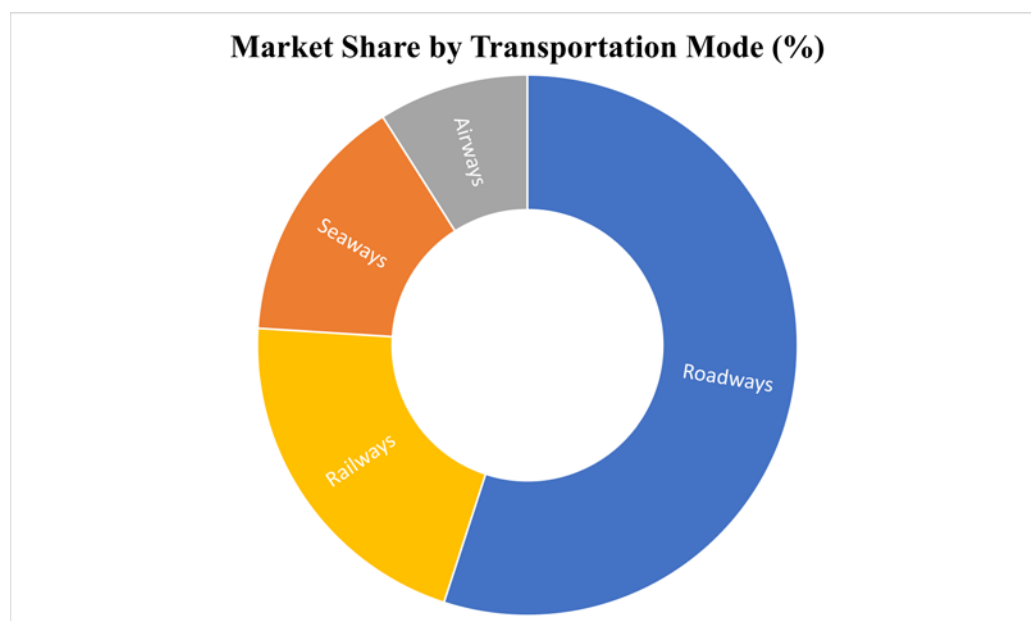
### Key Customers

Zanex Logistics Limited intends to operate as a general carrier of merchandise for companies and individuals, especially in Tanzania and other East and Central Africa countries. As such, it is difficult to determine the average customer of the Company as Zanex Logistics Limited will have the licensure and the ability to effectively move almost any type of merchandise.

Zanex Logistics Limited will initially focus specifically on being an independent contractor to transportation companies in Maryland and the surrounding area. By serving as an independent contractor, the Company can provide a more affordable freight transport solution for new and growing companies than purchasing their own trucks. Zanex Logistics Limited will also serve larger trucking companies who simply don't have enough drivers for delivery but at the same time, is not interested in hiring additional full time employees.

### Market Segmentation

Our company provides an analysis of the key market in each sub-segment of the logistics market, along with forecasts at the global, regional, and country level from 2022-2027. Our company has categorized the market based on the transportation mode, end-use and region.



**On the basis of transportation mode, the industry is segmented into:**

- Roadways
- Seaways
- Railways
- Airways

Currently, roadways represent the leading segment in the market.

**On the basis of end-use, the industry is divided into:**

- Manufacturing
- Consumer Goods and Retail
- Food and Beverages
- IT Hardware and Telecom
- Healthcare
- Chemicals
- Construction
- Automotive
- Oil and Gas
- Others

Amongst these, consumer goods and retail accounts for the largest share in the total market.

**On the basis of the region**

By region our company segments the market as follows:

- East Africa
  - Tanzania
  - Kenya
  - Uganda
  - Rwanda
  - Burundi
- Central Africa
  - Democratic Republic of Congo
  - Zambia
  - Africa

**Our Target Segment**

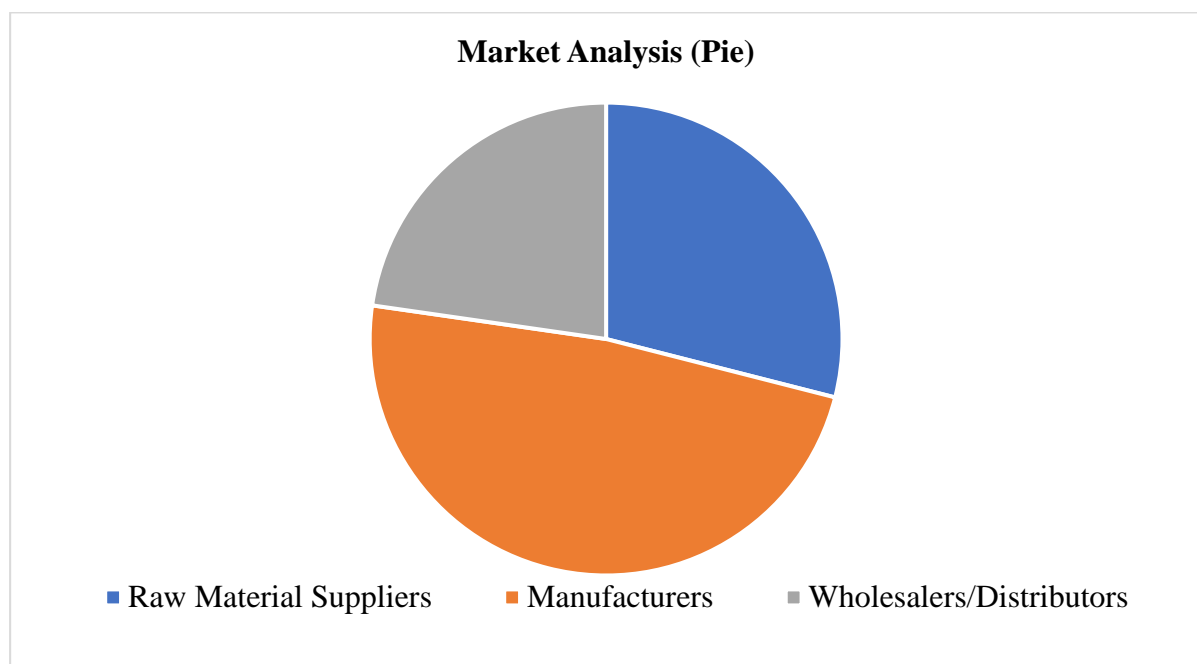
The market analysis table covers likely market segments within the seven countries which Zanex Logistics Limited will serve.

**Raw Material Suppliers** transport large quantities of materials to large manufacturers in the East and Central African countries. These materials generally do not require refrigeration or temperature control. Manufacturers maintain some on-site storage for these supplies and generally have some leeway as to when deliveries can be received, except when projections are

mistaken and supplies drop low. Packaging supplies also must be transported to manufacturers and are included in this group.

**Manufacturers** often outsource the distribution of their goods to businesses that specialize in serving one the type of retailer or business. Their packaged goods are often transported to only one wholesaler/distributor, creating a regular business in transporting between the two locations.

**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 transportation support when they are operating at capacity but not prepared to expand their transportation capacity.



### **Target Market Segment Strategy**

Zanex Logistics Limited will begin by focusing specifically on the segment of manufacturers in Tanzania, expanding after the first year to the entire intended East and Central Africa region. By serving manufacturers, Zanex Logistics Limited can provide an affordable shipping solution for new and growing manufacturers over purchasing their own trucks.

Raw material suppliers sometimes require flatbed or bulk/tank trucking which will also be offered by Zanex Logistics 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, Zanex Logistics Limited will be introduced to suppliers and distributors who may require their services without having to engage in full marketing campaigns to these segments.

### **Competition and Buying Patterns**

In addition to competing with other freight transport companies, Zanex Logistics Limited will compete with rail and air cargo transportation. However, for the distances it intends to

transport, and due to the few rail lines over the countries and regions, freight transportation is at an advantage.

Clients 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.

### **Web Plan Summary**

The Zanex Logistics 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 Zanex Logistics Limited services and current location of their deliveries. Clients who subscribe to preferred services will have access to more advanced information and functions.

### **Website Marketing Strategy**

Zanex Logistics 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

### **Development Requirements**

The website's components will have the following requirements:

#### **Front End**

- Homepage – Mirroring a basic brochure about Zanex Logistics 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 – Gives ETA, 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 Zanex Logistics 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 TZS 43,629,300. 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 Zanex Logistics Limited database.

### **Strategy and Implementation Summary**

Zanex Logistics 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 mile slightly over the industry average
- Targeting manufacturers in Dar es Salaam and other Tanzania regions in the first wave of marketing as the segment most in need of Zanex Logistics Limited's services

### **Competitive Edge**

Zanex Logistics 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 Zanex Logistics 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.

Zanex Logistics Limited will therefore be offering the following advantages to customers:

- **Quality Service:** Customers will be provided with courteous, prompt, and dependable service. The Company will develop a reputation for timely deliveries and intends to build upon that.

- **Competitive rates:** The Company will be able to provide competitive rates for our customers because we have low cost inputs.
- **Package handling.** By maintaining dependable and safe equipment, Zanex Logistics Limited will ensure that there is no damage to customer's cargo.
- **Experience.** A major competitive advantage for the Company is the vast industry experience and solid reputation of its owners.

## SWOT Analysis

Zanex Logistics Limited has been established with a valuable inventory of strengths that shall contribute to the success of the company. These strengths include experienced, knowledgeable staff with a clear vision of the freight transportation industry, market needs and, excellent client services.

<p><b>Strengths</b></p> <p>-----</p> <ul style="list-style-type: none"> <li>• The staff at Zanex Logistics Limited is experienced and knowledgeable in the logistics of the trucking industry, they are courteous and provide excellent services to all of Zanex Logistics Limited clients.</li> <li>• Strong relationships with clients, offering flexible arrangements for rush deliveries</li> <li>• Competitive prices provide repeat and referral business.</li> <li>• Premium quality service and on-time delivery</li> </ul>	<p><b>Weaknesses</b></p> <p>-----</p> <ul style="list-style-type: none"> <li>• Start-up funding needed</li> <li>• The business has been unpredictable during the uncertainty of economic conditions.</li> <li>• Zanex Logistics Limited needs new trucks. New trucks will provide better fuel efficiency; better emissions control and lower our cost of overhead to maintain. These new trucks will allow us to expand our services, creating more revenue to pay our debts.</li> <li>• Initially limited to independent contracting with larger transport companies</li> </ul>
<p><b>Opportunities</b></p> <p>-----</p> <ul style="list-style-type: none"> <li>• Increase sales opportunities beyond other transportation companies</li> <li>• Current clients with manufacturing plants in other regions.</li> <li>• Strategic alliances offering resources for referrals and marketing to extend Zanex</li> </ul>	<p><b>Threats</b></p> <p>-----</p> <ul style="list-style-type: none"> <li>• The rising cost of fuel, maintenance, and repairs.</li> <li>• Likely entry of potential new competitors</li> <li>• Possible new regulations</li> <li>• Possible winters with weather that makes driving a truck difficult/impossible</li> </ul>

Logistics Limited reach to potential new clients.

- Ability to grow quickly because of increases in market demand
- Take advantage of the fact that many trucking companies do not like to offer services in DR Congo, Rwanda and Burundi

## **MARKETING STRATEGY AND IMPLEMENTATION**

### **Overview**

Zanex Logistics Limited will attempt to rapidly achieve awareness in Dar es Salaam and other Tanzania's regions about its business in the first year, followed with awareness in East and Central Africa countries in future years.

Zanex Logistics Limited intends to maintain a marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of Zanex Logistics Limited:

- Establish relationships with freight brokerages and transportation companies in need of freight delivery services within the targeted market.
- Develop an online presence by developing a website and placing the Zanex Logistics Limited's name and contact information with online directories.

### **Marketing Strategy**

Zanex Logistics Limited intends to use a multitude of marketing strategies to promote and expand its freight trucking business. The Company will maintain a listing in the Yellow Pages, create marketing campaigns within local newspapers, and promote the business through word of mouth advertising.

Zanex Logistics Limited also intends to maintain a website that allows customers to contact them directly over email for more information regarding freight trucking services and pricing quotes. As Zanex Logistics Limited expands, the website will be upgraded to include higher levels of functionality and support.

As an extra incentive for customers and potential customers to remember the name, The Company plans to distribute coffee mugs, T-shirts, pens, and other advertising specialties with the Zanex Logistics Limited's name.

Zanex Logistics Limited will develop two compelling brochures: one to promote sales to other trucking companies and later, one that promotes the Company's direct services.

Overall, Zanex Logistics Limited will also rely heavily on word of mouth/ referrals from satisfied customers to maintain steady contract work.

## Promotion

Zanex Logistics Limited will focus its promoting strategy on the following areas:

- **Web Presence:** Establishing a strong software/Web component to its business to drive adoption of its preferred client services. Building a website with visibility on search engines and in databases of freight transportation companies (see Web plan)
- **On-Time Reputation:** Building and maintaining an on-time reputation that commands revenue per mile slightly over the industry average
- **Target Market:** Targeting other transportation companies in need of assistance with freight delivery
- **Emphasis on service:** Zanex Logistics Limited will differentiate itself by providing premium services to its customers. It will establish new business by offering competitive prices and flexibility for our clients' needs.
- **Build a relationship-oriented business:** Building long-term relationships with customers will be a strong attribute of Zanex Logistics Limited. Customers can trust that they will be provided the delivery services they require.
- **Brochure:** Creating a compelling brochure of Zanex Logistics Limited services which will be distributed through direct mail, and kept in stock for networking events
- **Exhibition:** Exhibiting at Tanzania business service conferences, especially for sectors of the manufacturing industry
- **Advertisements in trade publications**
- **Public Relation:** Public relations efforts including press releases related to the business launch and its unique preferred client account management package

## Positioning

The strategy of Zanex Logistics Limited is to consolidate excellent customer service with timely deliveries and a competitive pricing structure. The Company's goal in the next 2 years is to enter into direct contracts with manufacturers and other business entities in need of freight delivery services without having to serve as an independent contractor for other trucking companies.

Zanex Logistics Limited will therefore seek to position itself not necessarily as the most inexpensive carrier, but as a carrier with the best service and on-time record coupled with advanced systems to help clients manage their logistics better.

## Pricing

Zanex Logistics Limited will have independent contractor arrangements with various companies that deliver freight. In many ways, pricing is dependent upon the company being serviced. The Company will be able to charge competitive rates, as it has minimal overhead compared to its competition.

Pricing of our service must remain initially competitive with our rivals. This is typical within the industry and can create higher margins. The average tipper rate is TZS 640,000 per day or TZS 26,400 per cubic meter. The average flatbed rate is TZS 280,800 to 315,900 per ton for all loaded miles. Zanex Logistics Limited will start out charging TZS 280,800 per ton per trip during the first year of operation and change it later.

### **Place/Distribution**

Zanex Logistics Limited's deliveries will feature:

- Low Distribution Costs
- Fast Delivery
- Optimal Payload Utilization
- Quick Turnaround Times
- Proper Route Planning and Analysis
- Fuel Efficiency

### **Strategic Alliances**

Zanex Logistics Limited will form strategic alliances with other trucking companies in need of freight delivery services. Zanex Logistics Limited will serve as an independent contractor for these companies and hopes to call on them as the Company starts to take on its own direct customers.

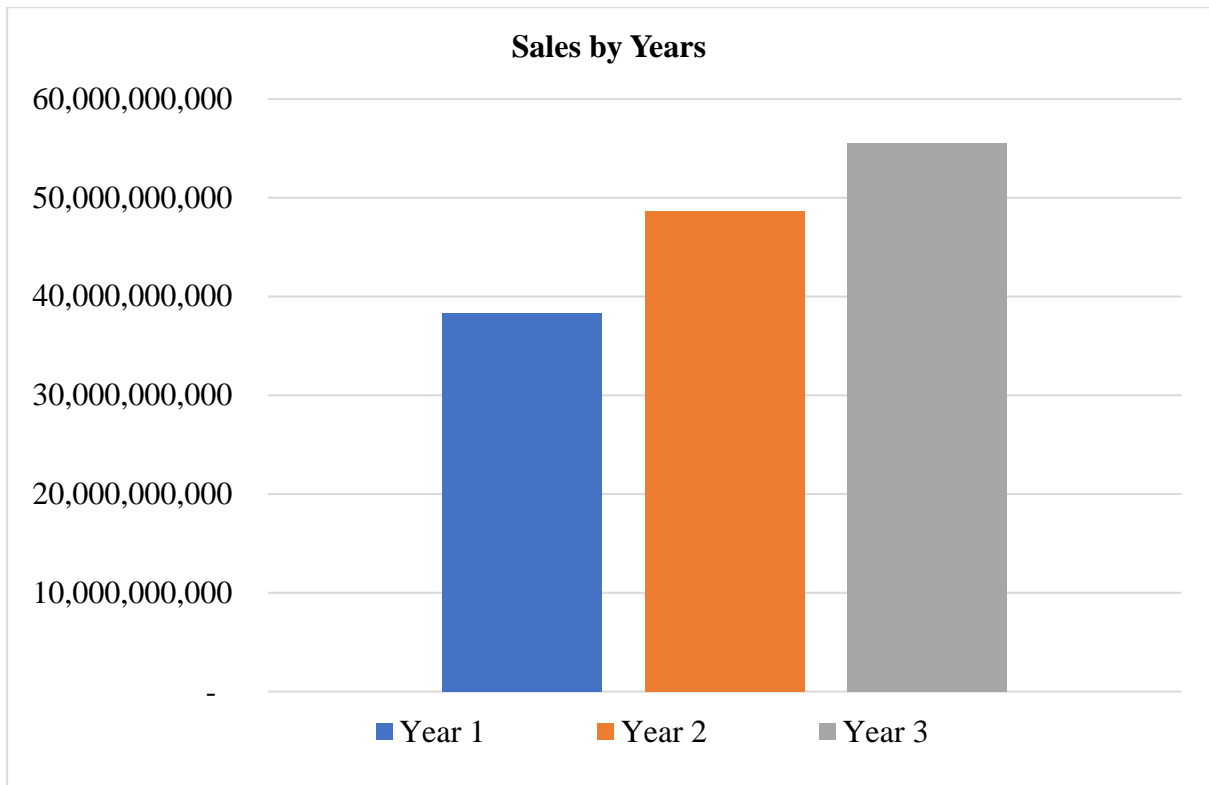
Additionally, Zanex Logistics Limited intends to continually develop a number of referral and contractual relationships with retailers, distribution companies, and freight brokers. Since these businesses are regularly seeking trucking services, the owners see a significant opportunity to partner with these firms.

### **Sales Strategy**

Salim Abdallah Salim 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 freight transportation. Salim Abdallah Salim will prospect from a list of manufacturer businesses in the targeted area, starting with small and new businesses which may not have established a long-term relationship with a carrier yet.

### **Sales Forecast**

The cost of sales listed here for per-mile transportation is approximately 25% for fuel based on the estimated 10 mpg for loaded trucks, and another 25% for truck driver labor hours that can be assigned to the jobs based on agreed hour rate. Cost of sales for preferred accounts is much smaller as it consists only of set-up and maintenance labor for hourly operators.



## Milestones & Metrics

### Key Metrics

- Freight cost per unit shipped
- Outbound freight costs
- Inbound freight costs as percentage of purchases
- Transit time
- Claims as % of freight costs
- Sales
- Loads
- Maintenance
- Driver commissions
- Leads
- Closes
- Clients
- Repeat clients

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 remainder are budgeted under the first year marketing budget for operations.

Milestone	Start Date	End Date
Find funding Start Zanex Logistics Limited	09/01/2022	10/01/2022
Purchase Trucks and trailers	09/08/2022	10/08/2022
Insurance and permits	09/08/2022	10/08/2022
Hire drivers	09/09/2022	10/09/2022
Pick up first loads	09/11/2022	10/11/2022
Create Brochure	12/01/2022	01/30/2023
Create Website	11/01/2022	01/31/2023
Generate Mailing List	01/01/2023	01/15/2023
Direct Mail Distribution	01/15/2023	01/31/2023
Run First Advertisements	02/01/2023	02/31/2023
Launch Press Release	01/01/2023	02/31/2023
First Trade Show (Pre and Run)	03/15/2023	03/28/2023

## MANAGEMENT SUMMARY

### Chief Executive Officer (CEO)

Salim Abdallah Salim, CEO, will manage the strategic direction, sales and marketing of Zanex Logistics Limited. He developed experience in all of these areas through work in his previous business.

### Chief Operating Officer (COO)

The Chief Operating Officer position will be filled by Maulidi Jumanne Maulid. The Chief Operating Officer will manage operations, finances, human resources, and procurement.

### Sales and Marketing Associate

Once the company acquires new trucks, a sales manager will be hired to solicit new business. This will also allow Salim Abdallah Salim to dedicate more time into company management.

### Administrator

We plan to hire an accountant to handle company administration and financial report and ensure company compliance with tax regulation across the country.

The business will require additional personnel including an administrator/dispatch center operator and a sales/marketing support associates. These individuals will be managed by the COO and the CEO, respectively.

## Personnel Plan

Truck driver salary listed here covers only salary. 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 be 176 full-time by the end of year 1. There will be enough full-time truck drivers as the business will attempt to utilize the capacity of the trucks and 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 Table

Position	Monthly	Year 1	Year 2	Year 3
CEO	1,170,000	14,040,000	14,040,000	14,040,000
COO	1,404,000	16,848,000	16,848,000	16,848,000
Accountant	1,872,000	22,464,000	22,464,000	22,464,000
Sales & Marketing Associate	1,872,000	16,848,000	22,464,000	22,464,000
Receptionist/Administrator	702,000	8,424,000	8,424,000	8,424,000
Truck Drivers	397,000	840,153,600	840,153,600	840,153,600
<b>Total People</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>
<b>Total Salary Per Year</b>	<b>7,417,000</b>	<b>918,777,781</b>	<b>924,393,781</b>	<b>924,393,600</b>

## FINANCIAL PLAN

Zanex Logistics Limited will establish its business with one hundred and seventy trucks, three forklifts and three vehicles financed by loan and the owners' and investor's equity. Profits will swing positive from the first year of operation.

After the first three years, the business can sustain growth of at least ten additional trucks per year, and begin to add additional bases of operation 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, 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 seek a strategic sale to a national freight trucking operator for which Zanex Logistics Limited's geographic and technological focus will be a good match.

## Start-up Funding

Shareholders will provide the majority of start-up funding out of savings from their previous businesses and personal finance. Additional investment will be from investing partners and a sixty months bank loan.

### **Start-up Funding**

Start-up Expenses to Fund	7,526,585,439
Start-up Assets to Fund	39,116,610,000
<b>Total Funding Required</b>	<b>46,643,195,439</b>

### **Assets**

Non-cash Assets from Start-up	39,116,610,000
Cash Requirements from Start-up	
Additional Cash Raised	
Cash Balance on Starting Date	
<b>Total Assets</b>	<b>39,116,610,000</b>

### **Liabilities and Capital**

#### **Liabilities**

Current Borrowing	<b>38,610,000,000</b>
Long-term Liabilities	
Accounts Payable (Outstanding Bills)	
Other Current Liabilities (interest-free)	
<b>Total Liabilities</b>	<b>38,610,000,000</b>

#### **Capital**

Planned Investment	
Shareholders	506,610,000
Investors	
Additional Investment Requirement	7,526,585,439
<b>Total Planned Investment</b>	<b>8,033,195,439</b>
<b>Loss at Start-up (Start-up Expenses)</b>	<b>(7,526,585,439)</b>
<b>Total Capital</b>	<b>506,610,000</b>
<b>Total Capital and Liabilities</b>	<b>39,116,610,000</b>

### **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.

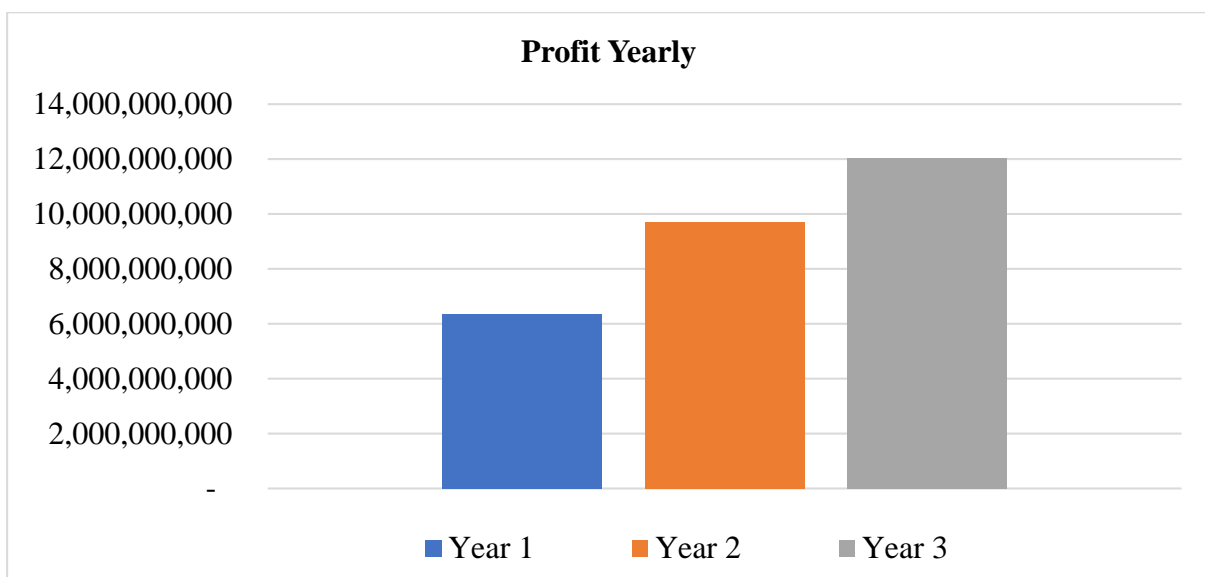
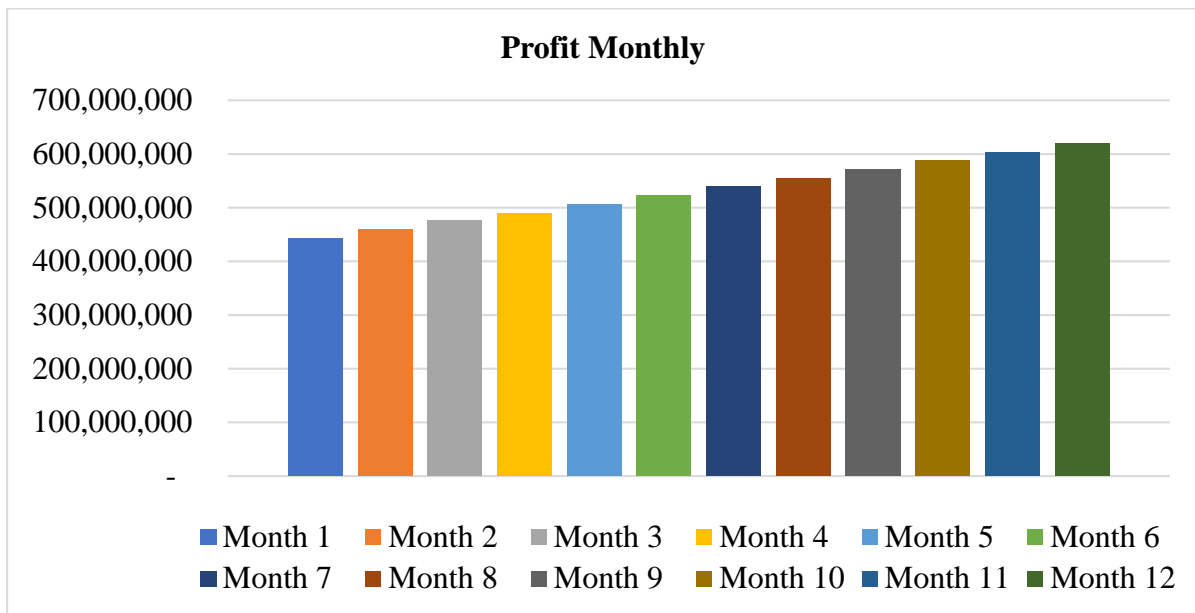
### **Projected Profit and Loss**

Major expenses include:

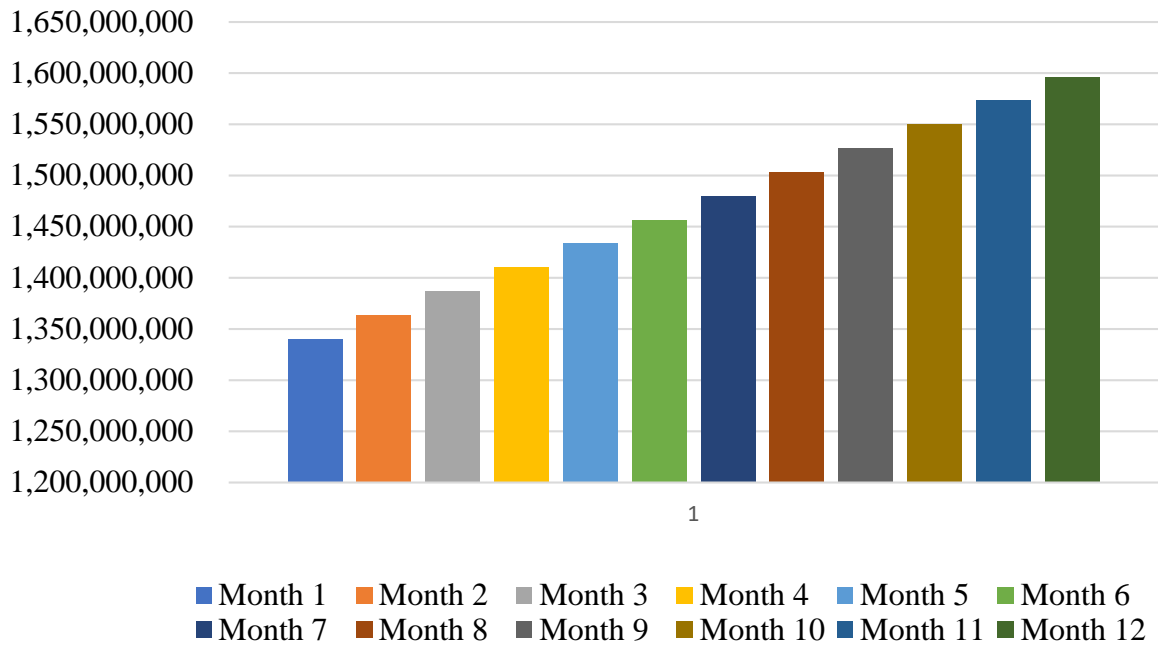
- **Payroll:** Covers the management, staff, and truck driver wages.
- **Marketing/Promotion:** Projected higher in the first year and then dropping due to extra marketing devoted to the launch and the weaning off of search engine marketing over time

- **Depreciation:** Reflects the growing investment in trucks and equipment over the years. Trucks are depreciated on a 10-years straight-line schedule. The depreciation is TZS 325,971,750 per month including the additional equipment purchased with the trucks.
- **Truck Maintenance/Repair:** Estimated at 2% per month per truck to will rise to 4 in year 4 due to aging of the 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 as listed and half of the direct cost of sales
- **Licensing and Permitting:** Include ongoing renewals of licenses and additional licenses for new trucks as they are purchased

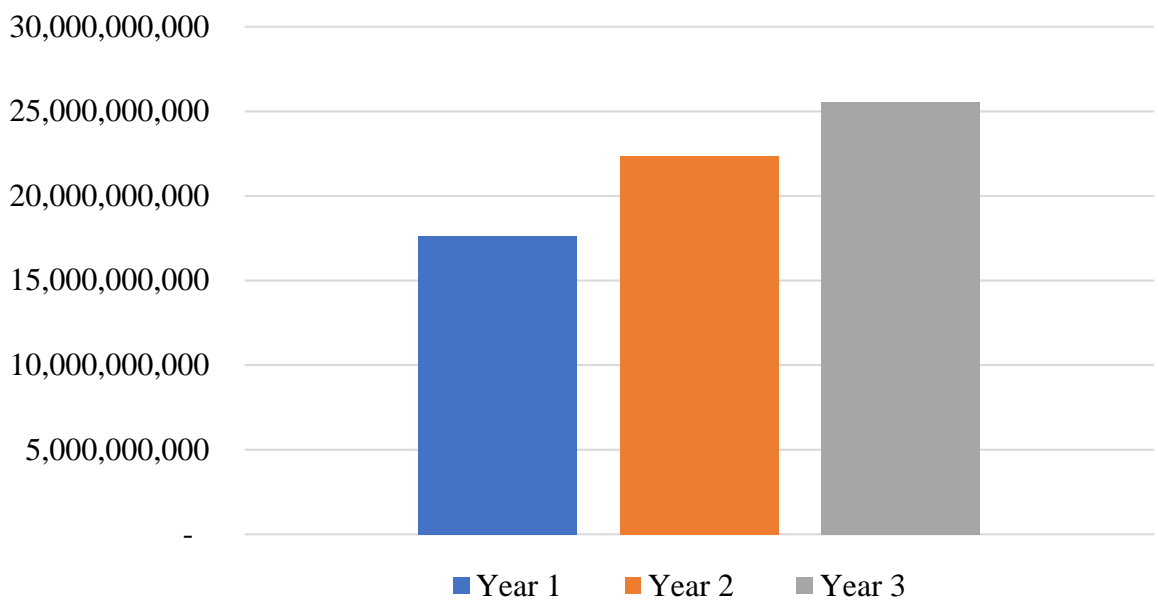
The business expects a net loss in the first year as operations and sales scale up appropriately. Net profits will begin in the second year.



**Gross Margin Monthly**



**Gross Margin Yearly**



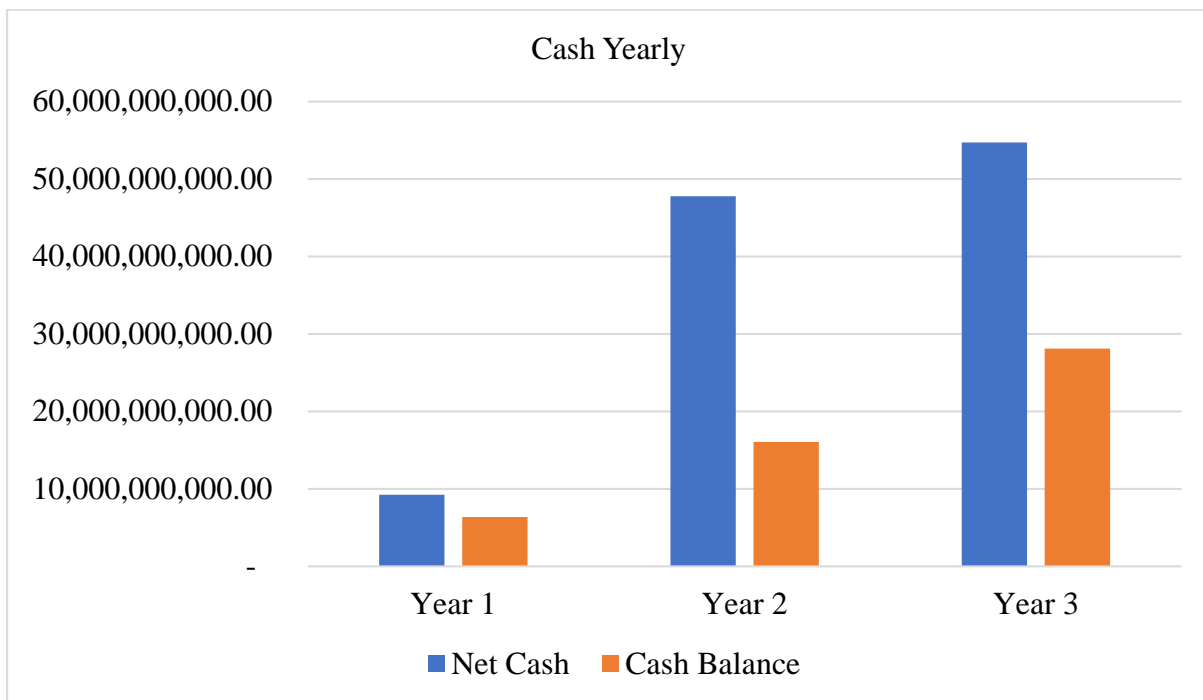
## Profit and Loss Statement

	Year 1	Year 2	Year 3
<b>Revenue</b>			
General Freight Delivery	30,629,664,000	39,369,330,000	46,096,128,000
Tipper	7,679,880,000	9,238,320,000	9,462,960,000
<b>Total Revenue</b>	<b>38,309,544,000</b>	<b>48,607,650,000</b>	<b>55,559,088,000</b>
<b>Direct Cost</b>	-	-	-
General Freight Delivery	20,687,153,760	26,248,131,000	30,001,907,520
<b>Total Direct Cost</b>	<b>20,687,153,760</b>	<b>26,248,131,000</b>	<b>30,001,907,520</b>
<b>Gross Margin</b>	<b>17,622,390,240</b>	<b>22,359,519,000</b>	<b>25,557,180,480</b>
Gross Margin %	46%	46%	46%
<b>Operating Expenses</b>			
Payroll	918,777,600	924,393,600	924,393,600
Marketing & Promotion	22,464,000	19,656,000	14,040,000
Depreciation & Amortization	3,911,661,000	3,911,661,000	3,911,661,000
Truck Maintenance & Repair	782,332,200	775,812,765	769,293,330
Rent	1,662,455,925	1,648,602,126	1,615,515,993
Security	71,627,994	71,854,337	71,852,634
Utilities	114,491,520	14,040,000	14,040,000
Insurance	14,040,000	7,020,000	7,020,000
Payroll Taxes	5,733,000	3,369,600	3,369,600
Licenses and Permitting	3,369,600	114,491,520	11,175,840
Web Hosting and Development	9,804,600	16,087,500	17,737,200
Miscellaneous	9,828,000	11,793,600	14,040,000
<b>Total Operating Expenses</b>	<b>7,526,585,439</b>	<b>7,518,782,047</b>	<b>7,374,139,197</b>
Profit Before Interest and Taxes	10,095,804,801	14,840,736,953	18,183,041,283

Interest Expense	694,980,000	694,980,000	694,980,000
Income Taxes	3,028,741,440	4,452,221,086	5,454,912,385
<b>Net Profit</b>	<b>6,372,083,360</b>	<b>9,693,535,867</b>	<b>12,033,148,898</b>
Net Profit/Sales	17%	20%	22%

### Projected Cash Flow

Purchases of new trucks will be made with five year loans for 98.7% of the purchase price. The remaining TZS 491,400,000 of which TZS 210,600,000, TZS 280,800,000 and TZS 15,210,000 for purchase of three forklifts, three vehicles and a standby generator respectively each purchase will be made in cash. Payments on this loan will be 275,000 plus 9 percent interest per month, per truck loan for the life of the loans.



### Projected Cash Flow

Cash Received	Year 1	Year 2	Year 3
<b>Cash from Operations</b>			
Cash Sales	38,309,544,000	48,607,650,000	55,559,088,000
Cash from Receivables	-	-	-
<b>Subtotal Cash from Operations</b>	<b>38,309,544,000</b>	<b>48,607,650,000</b>	<b>55,559,088,000</b>
	-	-	-

<b>Additional Cash Received</b>	-	-	-
Sales Tax, Income Tax, VAT Paid Out	<b>3,028,741,440</b>	<b>4,452,221,086</b>	5,454,912,385
New Current Borrowing	-	-	-
New Other Liabilities (interest-free)	-	-	-
New Long-term Liabilities	<b>38,610,000,000</b>	-	-
Sales of Other Current Assets	-	-	-
Sales of Long-term Assets	-	-	-
New Investment Received	<b>506,610,000</b>	-	-
<b>Subtotal Cash Received</b>	<b>80,454,895,440</b>	<b>53,059,871,086</b>	61,014,000,385
<b>Expenditures</b>			
<b>Expenditures from Operations</b>			
Cash Spending	<b>28,213,739,199</b>	<b>33,766,913,047</b>	37,376,046,717
Bill Payments	-	-	-
<b>Subtotal Spent on Operations</b>	<b>28,213,739,199</b>	<b>33,766,913,047</b>	37,376,046,717
<b>Additional Cash Spent</b>			
Sales Tax, Income Tax, VAT Paid Out	<b>3,028,741,440</b>	<b>4,452,221,086</b>	5,454,912,385
Other Liabilities Principal Repayment	-	-	-
Long-term Liabilities Principal Repayment	<b>841,698,000</b>	<b>841,698,000</b>	841,698,000
Purchase Other Current Assets	-	-	-
Purchase Long-term Assets	<b>39,116,610,000</b>	-	-
Dividends	-	-	-
<b>Subtotal Cash Spent</b>	<b>71,200,788,640</b>	<b>5,293,919,086</b>	6,296,610,385
<b>Net Cash Flow</b>	<b>9,254,106,801</b>	<b>47,765,952,000</b>	54,717,390,000
Cash at Beginning of Period	-	<b>6,372,084,420</b>	16,065,621,000
Net Change in Cash	<b>6,372,084,420</b>	<b>9,693,536,580</b>	12,033,148,140
<b>Cash at End of Period</b>	<b>6,372,084,420</b>	<b>16,065,621,000</b>	28,098,769,140

### Projected Balance Sheet

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 new trucks. This will allow cash and assets, as well as net worth, to continue to grow.

Retained earnings will be set positive in the third year after two profitable years of operation.

## Projected Balance Sheet

	Year 1	Year 2	Year 3
Cash	6,372,084,420	16,065,621,000	28,098,769,140
Account Receivable	6,940,400,220	961,377,300	-
Inventory	-	-	-
Other Current Assets	-	-	-
<b>Total Current Assets</b>	<b>13,312,484,640</b>	<b>17,026,998,300</b>	<b>28,098,769,140</b>
Long-term Assets	39,116,610,000	39,116,610,000	39,116,610,000
Accumulated Depreciation	3,911,661,000	7,823,322,000	15,646,644,000
<b>Total-Long Term Assets</b>	<b>35,204,949,000</b>	<b>31,293,288,000</b>	<b>23,469,966,000</b>
<b>Total Assets</b>	<b>48,517,433,640</b>	<b>48,320,286,300</b>	<b>51,568,735,140</b>
Accounts Payable	-	-	-
Sales / Income Taxes Payable	3,028,741,440	4,452,221,086	5,454,912,385
Short-Term Debt	-	-	-
Prepaid Revenue	-	-	-
<b>Total Current Liabilities</b>	<b>3,028,741,440</b>	<b>4,452,221,086</b>	<b>5,454,912,385</b>
Long-Term Debt	38,610,000,000	33,667,920,000	32,826,222,000
<b>Total Liabilities</b>	<b>41,638,741,440</b>	<b>38,120,141,086</b>	<b>38,281,134,385</b>
Paid-in Capital	506,610,000	506,610,000	506,610,000
Retained Earnings	-	-	747,842,940
Earning	6,372,083,360	9,693,535,867	12,033,148,898
<b>Total Owner's Equity</b>	<b>6,878,693,360</b>	<b>10,200,145,867</b>	<b>13,287,601,838</b>
<b>Total Liabilities &amp; Equity</b>	<b>48,517,434,801</b>	<b>48,320,286,953</b>	<b>51,568,736,223</b>
<b>Net Worth</b>	<b>6,878,693,360</b>	<b>10,200,145,867</b>	<b>13,287,601,838</b>

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**Personnel Table (With Monthly Detail)**

Position	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
CEO	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000
COO	1,404,000	1,404,000	1,404,000	1,404,000	1,404,000	1,404,000	1,404,000	1,404,000	1,404,000	1,404,000	1,404,000	1,404,000
Accountant	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000
Sales & Marketing Associate				1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000
Receptionist/Administrator	702,000	702,000	702,000	702,000	702,000	702,000	702,000	702,000	702,000	702,000	702,000	702,000
Truck Drivers	69,872,000	69,872,000	69,872,000	69,872,000	69,872,000	69,872,000	69,872,000	69,872,000	69,872,000	69,872,000	69,872,000	69,872,000
<b>Total People</b>	<b>130</b>	<b>124</b>	<b>124</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>
<b>Total Payroll</b>	<b>75,020,000</b>	<b>75,020,000</b>	<b>75,020,000</b>	<b>76,892,000</b>	<b>76,892,000</b>	<b>76,892,000</b>	<b>76,892,000</b>	<b>76,892,000</b>	<b>76,892,000</b>	<b>76,892,000</b>	<b>76,892,000</b>	<b>76,892,000</b>

**INDEX 2**

**Profit and Loss Statement (With Monthly Details)**

Year	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
<b>Revenue</b>												
General												
Freight												
Delivery	2,274,480,000	2,325,024,000	2,375,568,000	2,426,112,000	2,476,656,000	2,527,200,000	2,577,744,000	2,628,288,000	2,678,832,000	2,729,376,000	2,779,920,000	2,830,464,000
Tipper	639,990,000	639,990,000	639,990,000	639,990,000	639,990,000	639,990,000	639,990,000	639,990,000	639,990,000	639,990,000	639,990,000	639,990,000
<b>Total Revenue</b>	<b>2,914,470,000</b>	<b>2,965,014,000</b>	<b>3,015,558,000</b>	<b>3,066,102,000</b>	<b>3,116,646,000</b>	<b>3,167,190,000</b>	<b>3,217,734,000</b>	<b>3,268,278,000</b>	<b>3,318,822,000</b>	<b>3,369,366,000</b>	<b>3,419,910,000</b>	<b>3,470,454,000</b>
<b>Direct Cost</b>												

General Freight Delivery	1,573,813,800	1,601,107,560	1,628,401,320	1,655,695,080	1,682,988,840	1,710,282,600	1,737,576,360	1,764,870,120	1,792,163,880	1,819,457,640	1,846,751,400	1,874,045,160
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Direct Cost</b>	<b>1,573,813,800</b>	<b>1,601,107,560</b>	<b>1,628,401,320</b>	<b>1,655,695,080</b>	<b>1,682,988,840</b>	<b>1,710,282,600</b>	<b>1,737,576,360</b>	<b>1,764,870,120</b>	<b>1,792,163,880</b>	<b>1,819,457,640</b>	<b>1,846,751,400</b>	<b>1,874,045,160</b>
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross Margin</b>	<b>1,340,656,200</b>	<b>1,363,906,440</b>	<b>1,387,156,680</b>	<b>1,410,406,920</b>	<b>1,433,657,160</b>	<b>1,456,907,400</b>	<b>1,480,157,640</b>	<b>1,503,407,880</b>	<b>1,526,658,120</b>	<b>1,549,908,360</b>	<b>1,573,158,600</b>	<b>1,596,408,840</b>
Gross Margin %	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%
<b>Operating Expenses</b>												
Payroll	75,160,800	75,160,800	75,160,800	77,032,800	77,032,800	77,032,800	77,032,800	77,032,800	77,032,800	77,032,800	77,032,800	77,032,800
Marketing & Promotion	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000	1,872,000
Depreciation & Amortization	325,971,750	325,971,750	325,971,750	325,971,750	325,971,750	325,971,750	325,971,750	325,971,750	325,971,750	325,971,750	325,971,750	325,971,750
Truck Maintenance & Repair	65,194,350	65,194,350	65,194,350	65,194,350	65,194,350	65,194,350	65,194,350	65,194,350	65,194,350	65,194,350	65,194,350	65,194,350
Insurance	138,537,994	138,537,994	138,537,994	138,537,994	138,537,994	138,537,994	138,537,994	138,537,994	138,537,994	138,537,994	138,537,994	138,537,994
Payroll Taxes	5,912,840	5,912,840	5,912,840	5,987,720	5,987,720	5,987,720	5,987,720	5,987,720	5,987,720	5,987,720	5,987,720	5,987,720
Licenses and Permitting	9,540,960	9,540,960	9,540,960	9,540,960	9,540,960	9,540,960	9,540,960	9,540,960	9,540,960	9,540,960	9,540,960	9,540,960
Rent	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000
Security	351,000	351,000	351,000	468,000	468,000	468,000	468,000	468,000	585,000	585,000	585,000	585,000
Utilities	280,800	280,800	280,800	280,800	280,800	280,800	280,800	280,800	280,800	280,800	280,800	280,800
Web Hosting and Development	702,000	514,800	585,000	608,400	702,000	702,000	795,600	889,200	936,000	1,029,600	1,123,200	1,216,800
Miscellaneous	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000	819,000

	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>625,513,493</b>	<b>625,326,293</b>	<b>625,396,493</b>	<b>627,483,773</b>	<b>627,577,373</b>	<b>627,577,373</b>	<b>627,670,973</b>	<b>627,764,573</b>	<b>627,928,373</b>	<b>628,021,973</b>	<b>628,115,573</b>	<b>628,209,173</b>
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit Before Interest and Taxes</b>	<b>715,142,707</b>	<b>738,580,147</b>	<b>761,760,187</b>	<b>782,923,147</b>	<b>806,079,787</b>	<b>829,330,027</b>	<b>852,486,667</b>	<b>875,643,307</b>	<b>898,729,747</b>	<b>921,886,387</b>	<b>945,043,027</b>	<b>968,199,667</b>
	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	57,915,000	57,915,000	57,915,000	57,915,000	57,915,000	57,915,000	57,915,000	57,915,000	57,915,000	57,915,000	57,915,000	57,915,000
Income Taxes	214,542,812	221,574,044	228,528,056	234,876,944	241,823,936	248,799,008	255,746,000	262,692,992	269,618,924	276,565,916	283,512,908	290,459,900
<b>Net Profit Net Profit/Sales</b>	<b>442,684,895</b> <b>15%</b>	<b>459,091,103</b> <b>15%</b>	<b>475,317,131</b> <b>16%</b>	<b>490,131,203</b> <b>16%</b>	<b>506,340,851</b> <b>16%</b>	<b>522,616,019</b> <b>17%</b>	<b>538,825,667</b> <b>17%</b>	<b>555,035,315</b> <b>17%</b>	<b>571,195,823</b> <b>17%</b>	<b>587,405,471</b> <b>17%</b>	<b>603,615,119</b> <b>18%</b>	<b>619,824,767</b> <b>18%</b>
	-	-	-	-	-	-	-	-	-	-	-	-