BUSINESS PLAN	**FOR EXPANSION OF TRUCKING BUSINESS**

OWNER;

WOOD BY DESIGN LIMITED
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1.0 EXECUTIVE SUMMARY

1.1 Business Profile

1.1.1	**Name:**	WOOD BY DESIGN LIMITED
1.1.2	**Ownership Type:**	Limited company
1.1.3	**Nature of Business:**	Interior Design, Manufacture and Sale of furniture
1.1.4	**Area of Business:**	**TANZANIA**
1.1.5	**Registration:**	Certificate of registration by BRELA No. 164688550
1.1.6	**Bankers:**	NMB
1.1.7	**Bank Account:**	
1.2	**Nature of Project:**	Interior Design, Manufacture and Sale of furniture.
1.2.2	**Purpose**	Application of Tax Exemption
1.3	**Financing Plan:**	
1.3.1	**Financing:**	N/A
1.3.2	**Machines value**	TSHS:286,536,099.00

1.5 The Way Forward

The prospects of the business continuing positive growth in service rendering and profitability is good due to the current market demand of Interior Design, Manufacture and Sale of furniture. This is supported by establishment of new offices for government, commercial and residential use of furniture.

The owner will enhance the business reputation to the point where the business will be regarded by many clients in Tanzania as the recommended service provider from the competitive and affordable prices plus the personalized services offered.

1.6 Mission

- To provide a wide range and affordable furniture and related services such as interior designing, outdoor and decoration to all customers within Tanzania and all neighboring ccountries.

1.7 Vision

- To become the most efficient and convenient business specializing in Interior Design, Manufacture and seller of Furniture's with a strong financial base and reputation in the industry in Tanzania and neighboring countries.

1.8 Business Objectives

The company aims to grow from a small to a medium size company dealing with Interior designing, manufacture and sale of furniture within the country and outside the country.

More Specifically;

- To promote and develop mutually beneficial relationships with customers.
- Become a recognized and the leading Interior Designer, Manufacture and Seller of classic furniture in East Africa region attracting customers from within and outside the region.
- Increase the business' market share over the year.
- Generate sufficient profits to become financially sustainable and be able to grow to another level.
- To win customers' trust so that we can earn big Interior Designing contracts.
- To use the purchased machineries efficiently so that we can generate more cash so as to be able to meet day to day business obligations **1.9 Business Strategies**

The company plans to adopt a managed and incremental growth strategy in maintaining and expanding the enterprise as set out below: -

- Cut-down unnecessarily costs particular repairing costs which are born by old machines by having new and modern machines which will improve profitability.
- Direct contracts from the customers particularly government institutions, furniture sellers and private customers, this will cut out any middlemen margins hence improve profitability.
- Bulk purchases of raw materials for furniture making from suppliers to minimize the costs.
- Regulate our prices so that we can attract more clients in order to maximize our profits

2.0 ABOUT THE BUSINESS

2.1 Nature of Business

The business is registered under the name of WOOD BY DESIGN. The company will deal with Interior Design, Manufacture and Sale of Furniture for other business in Tanzania and its neighboring countries. The business is located at Area D, Dodoma Municipality and in Dar es Salaam.

The Company will operate legally, by having all necessary legal status and documents such as-:

- ❖ TIN Number from TRA.
- ❖ Business license.
- ❖ Certificate of Registration from Registrar of Companies (BRELA)

The management recently made an assessment to the financial position of the company and saw the need to seek a tax exemption for the imported machines to the tune of Tshs.286,536,099.00

The owner will inject Tshs: 150,000,000.00 as a start up capital in top of the nwe machineries, therefore gain a lot of experience in this line of business which will been very profitable over the years.

Profits will be gradually rising as shown in the income statement summary below for the next three years;
IN tshs: '000'

DESCRIPTIONS	**2023**	**2024**	**2025**
	TSHS	**TSHS**	**TSHS**
Revenues	400,000	520,000	676,000
Cost of Sales	240,000	312,000	405,600
Gross Profit	**160,000**	**208,000**	**270,400**
Expenses:			
Operating expenses	40,000	52,000	67,600
Audit fees	500	500	500
Finance cost	300	450	500
Depreciation	35,817	31,339	27,422
Total expenses	**76,617**	**84,289**	**96,022**
Profit before tax	**83,383**	**123,711**	**174,378**
Income Tax	25,014	37,113	52,313
Profit after tax	**58,369**	**86,598**	**122,065**

Along with this business plan we attach here with the invoices and importation documents for the machineries as summarized in the above table it shows that this business undertaking will be profitable. By doing this the business will increase the cumulative net cash flow. Therefore, this business plan is prepared for the purpose of attracting the tax exemption from TIC.

In a view of the increase in demand for Interior Design, Manufacture and sale of Furniture in Tanzania and neighboring countries, there is need to import new machines in order to be able to meet market demand. This plan is developed with the support of financing from NMB amounting to Tsh. 286,536,099.00 (Say Two hundred eighty-six million five hundred thirty-six thousand and ninety-nine Only) as the value of the new machines.

2.2 Ownership and Management

2.2.1 Ownership

The business is a limited liability company owned by two shareholders, Joseph Bernado Simkoko and Almachius Boniventure Ndibalema. The shareholders have been in different businesses for more than 20 years and are supported by technical staff with experience in the industry, they are responsible for the management of the business and they are committed to ensure strong business performance.

2.2.2 Management Structure

The Board of Directors of Wood By Design is in charge of the key activities of the business. The Board is directly responsible for all operational and managerial activities with assistance from key management personnel.

1. Managing Director

Name: Joseph Bernado Simkoko

Experience: 20 years

Qualifications: College education

Responsibilities:

- Senior in charge of daily business in general.
- Signing contracts
- marketing activities
- Staff and client Management
- Negotiating with customers for prices
- Studying the market
- Setting strategy and execution

2. Director

Name: Almachius Bonaventure Ndibalema

Experience: 20 Years

Qualifications: College education

Responsibilities:

- Managing the business's finances
- Financial and Business advisory

3. LABOUR AVAILABILITY

The business will employ the following staff: -

• Technical Manager Bonita Benjamin Mengi
Education Bachelor Degree in Interior Design

• Experience 20 years

• Designer 2

• Sales personnel 6

- Drivers 2
- General workers 14

2.3 Location

The business's head office is located at Area D Dodoma Municipality.

3.0 INDUSTRY AND MARKET ANALYSIS

This section sets out product descriptions, market analysis, marketing strategy, pricing strategy and competition analysis.

3.1 Product Description

Wood By Design will offers Interior Design, Manufacture and Sale of Furniture services to various customers local and neighboring countries. The major ones include Furniture stores, supermarket and shops.

3.2 Market Analysis

In recent years, there has been an influx of interior designers and furniture manufacturers, some of them local and most of them from neighbor countries. However, due to the change of policies in Tanzania, where all foreign investors are required to involve locals, there has been an advantage for the local companies. WOOD BY DESIGN will focus in classic interior designing, manufacture and sale of furniture. Nevertheless, the increase in demand for classic interior designers and furniture for government buildings and private sectors offices to residence which has been in line with importation and manufacture of furniture from China Moreover, to the fact that the country is neighboring with many lands locked countries, this has created huge demand of imported furniture from China. The challenge that exists in the classic furniture making business is lack or limited of capital and so inability to meet orders on time.

3.2.1 Marketing and Pricing Strategy

The Market is segmented into small and medium sized businesses, local and region interior designers and furniture makers. WOOD BY DESIGN will competes on the lower end of the scale due to limited capital for now with its goal being to grow into a medium sized competitor over the next two years. There is demand for interior design services and classic furniture.

The company's pricing strategy is mainly cost-plus a reasonable margin with due attention to competitors. Reasonable margins are added to the cost of production in order to remain competitive and attract more customers. Prices of wood and other raw materials fluctuate all the time and this will make our prices for the interior design services and furniture to fluctuate too.

3.3 The Demand

The demand for interior designers and classic furniture is always high owing to the fact that the company will deal with the high volume customers. The growing of demand is due to a number of factors which have led the company requesting for tax exception on the new imported machines to meet the fast-growing demand. The following factors contribute to the growth of demand for interior design, manufacture and sale of classic furniture.

- **Growth of industrialized centers**

  Furniture's are required to furnish and equip buildings in government infrastructure to local residence. Therefore, the interior design service is needed to achieve this objective.

- **Landlocked countries**

  Tanzania geographically is located along the Indian Ocean and neighbored by 6 landlocked counties. These landlocked countries need access to the port in the Indian Ocean; therefore, the people of this countries need to be provided with classic furniture which were mainly imported from China.

3.4 Pricing Strategy

The company's pricing strategy is mainly cost-plus a reasonable margin with due attention to competitors. Reasonable margins are added to the cost of production in order to remain competitive and attract more customers. Prices of wood and raw materials for interior design fluctuate all the time and this makes will make our price for the interior design services and furniture to fluctuate too.

3.5 Competition Analysis

The business will face competition from local interior designers and furniture manufacturers with big financial muscles who operate locally and in the region. There are a number of furniture makers and sellers involving this this sector, the following is the list of a selected few competitors: -.

Name	Area	Business Type
Keko Furniture	Based in Dar es salaam	Manufacture and seller of furniture
GSM malls	Based in Dar es Salaam	Wholesale and retailer of furniture
Ngoto furniture	Based in Dodoma	Seller of furniture

The company will be constantly striving to compete and be ahead of similar-size companies. A technique in place is to ensure fast availability of interior designing and furniture manufacturer and sale services, in whole sale and retail.

3.6 Competitive Advantages:

- The major competitive advantage is that the company will have new machines for the production of classic furniture.
- The company will providesupport service 24/7 for the whole year.
- Provide service on credit to customers.
- Long stable relationships with customers.
- Positioning strategically with customers by building a business based on long-standing relationships with satisfied customers
- The company flexibility in accepting the customers' schedules compared to other competitors

3.7 Analysis of Strengths, Weaknesses, Opportunities and Threats.

The table below presents the business's (SWOT) analysis

Strengths	**Weaknesses**
• Having a qualified and experienced interior designer • 15 years of experience of the interior designer in the business. • Long lasting relationships with customers and suppliers.	• Lack of enough capital to expand the business to meet the increasing demand of interior designs. • The furniture making business is a free-to-enter line of business.
Opportunities.	**Threats.**
• Growth of industrialization in Tanzania and across the region. • Favourable government policies. • Removal of part of levies on trucks, so importing trucks might be cheaper. • Availability of tax exemption on imported new machines.	• Competition from local and foreign designers. • Possible of changes in government policies especially in importation and taxation. • Arrival of foreign companies with big capital

5.0 FINANCIAL PLAN

This section sets out proposed expansion, financing support needs, financial forecasts for 2024 and 2025 will be in place.

5.1 Financial Forecasts

5.1.1 Profitability

The business is expected to make good profits as can be seen in the following projections for the year impacted by the anticipated facility.

5.1.2 Projected Statement of Comprehensive Income for the year 2018 / 2019.

The following is the management's projections of financial performance (statement of comprehensive income) for the year 2023/2024 with the effect of the arrival of the new machines. Revenues are expected to be growing by 20% by the end of the year 2023/2024; operating expenses will increase by 10%, while net profit after taxes will increase by 48%. Audit fees are expected to rise by 20%. Basing on the above projections, here is the year's projected comprehensive income statement of the business.

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5.2 Liquidity

Projected liquidity position of the business will quite healthy such that it will be able to operate and break even in the market competition.

1. **Competition**

   Due to the growing economy, competition from foreign interior designers and furniture importation, new local entrants to the industry such as Wood By design are a constant threat as well as competition to existing expanding competitors.

   Remedies;

   The company will enjoy the experience of the Directors on its side having operated other businesses in different industry for the past 20 years and the Manager has an experience of 15 years in the same industry.The company will build solid relationships with its customers with good prices and the company will be reliable.

7.0 ECONOMIC JUSTIFICATION

Given the demand, business of this nature is of interest for the nation as it promotes self-employment spirit, local entrepreneurs, income-generation, financial deepening, and provides employment as well.

The business will also widen the Tax base and benefit the nation with taxes paid out of profits earned.

Therefore, securing tax exemption will help expand the business to achieve its goals and complement government efforts in trade, employment and poverty reduction.

8.0 CONCLUSION

This business is financially viable and economically justifiable.

Managerial analysis also shows that the management of the company is well experienced in the both industry with sound character, unquestionable credibility, and goodwill in the market.

Socio-economic analysis depicts the business is of interest to the economy at large as analyzed above.

It is, therefore, recommended that request of tax exemption of this company deserves favorable consideration.

Prepared by: -

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JOSEPH BERNADO SIMKOKO
DIRECTOR