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**PROJECT:** PROCESSING OF WOODS LOGS AND MANUFACTURING OF  
VENEER AND PLYWOOD PRODUCTS

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# XIN ZI MUYE COMPANY LIMITED

## BUSINESS STRATEGIC PLAN

FOR

2023 – 2027

### MAIN THEME

**“OUR STRATEGY TO UPGRADE TECHNOLOGY AND PRODUCTION OF FINISHED AND VALUE – ADDED WOOD PRODUCTS AND CREATION OF MORE EMPLOYMENTS TO TANZANIAN”.**

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## **1.0 EXECUTIVE SUMMARY.**

### **1.1 PROJECT CONCEPT.**

Xin zi Muye Company limited rented land of 15.12 Acres in Nyombo Village, Ikuna ward, Njombe district at Njombe region. For the purpose of processing of woods logs and manufacturing of veneers and plywood products. This is foreign company based on China.

The Chinese holding company possess and manage high technology to produce quality world class veneers, marine boards and plywood products.

The company will install good plying machine with all safety and environmentally friendly standards.

At initial implementation stage the company will invest in a complete manufacturing of veneers materials. The company will invest further in manufacturing of plywood products and marine boards. The portion of the profits from the activities will be re-invested in establishing many forest plantations and improving general condition of the surrounding community.

It is intended that once the production will be started it will provide room for employment for both skilled and unskilled labour from the surrounding environment.

Also the company will import good plying machine, and lease larger area of production site and management. The company also is intended to expand the business outside Tanzania (export veneers and plywood finished products) expanding into plywood market both national and international.

This project document presents a proposal by **XIN ZI MUYE COMPANY LIMITED**, a foreign registered company with certificate of Incorporation **NO. 166709032 dated 5<sup>th</sup> July 2023**. The project promoters are confident of mobilizing financial resources through advanced sales, loans and equity.

This study will be used as a guiding tool and is presented to Tanzania Investment Centre (TIC) for the purpose of obtaining a certificate of incentives to facilitate smooth implementation of the project.

### **1.2 LOCATION.**

The project will be located at Isutu "A" street, Nyombo village, Ikuna ward in the Njombe district. Near Nyombo Market Centre.

### **1.3. OUR BUSINESS STRUCTURE.**

At **XIN ZI MUYE COMPANY LIMITED** our business will be designed in such a way that it can accommodate both full and part-time employees; those who just want to take time off to generate additional income.

Adequate provision and competitive packages have been prepared for all our full time employees. As a means of maximizing operational cost, we will contract the maintenance of all our wood plying machines and trucks to a service provider, for more efficient supervision and maintenances.

#### **1.4 PROJECT MISSION AND VISION.**

- XI ZI MUYE COMPANY LIMITED`S mission is to establish a world class veneer and plywood manufacturing company that will supply to clients across Tanzania and outside Tanzania.
- Our vision is to commence production of finished and value-added quality veneer, marine boards, furniture boards and plywood products to supply all over Tanzania and abroad and be the brand for quality veneer and plywood products.

#### **1.5 THE COMPANY MAIN BUSSINESS OBJECTIVES ARE:**

- To produce finished and value - added quality veneers.
- To produce marine boards, furniture boards and plywood products.
- To expand the business outside Tanzania.

#### **1.6 objective of the study**

To establish a project for processing of woods loads and manufacturing of veneers, marine boards and plywood products

#### **1.7 Project capacity production per year.**

Due to available resources and work force XIN ZI MUYE COMPANY LIMITED project will have capacity of produce **9620 tonnes** of veneers per year.

#### **2.0 SOURCES OF INCOME**

**XIN ZI MUYE COMPANY LIMITED** will ensure that we leverage on our strength and the opportunities available to us in Tanzania and China market to generate enough income that will help us to drive the business to stability. Also attract more investors to invest in our company so that we can increase our capital. We will go all the way to explore every available source of income in the wood panelling manufacturing industry.

Below are the source we intend exploring to generate income for XIN MUYE COMPANY LIMITED plywood, veneer and marine boards manufacturing industry.

- Wooden plywood manufacturing.
- Veneer manufacturing.
- Marine board manufacturing

**3.0 OUR STRATEGY TO UPGRADE TECHNOLOGY AND PRODUCTION OF FINISHED AND VALUE-ADDED PRODUCTS.**As our vision is to commence production of finished and value – added quality veneer, marine boards, and plywood products to supply all over Tanzania and abroad and be the brand for quality veneer and plywood products. **XIN ZI**

**MUYE COMPANY LIMITED** has planned to oversee and prepare herself to attain its dream in a coming two years.

### **3.1 Purchasing of advanced machines**

XIN ZI MUYE COMPANY LIMITED has planned to import a high efficiency veneer dryer machine which has the characteristics of high degree of automation, good drying effect and low drying cost. The automatic feeder and collection system which will be installed with the 4-deck veneer roller dryer which saves the cost greatly and improve the feeding and collecting efficiency.

We shall also protect environment by applying Biomass Burners, which can burn the broken waste wood directly as a fuel to provide a heat source for the roller veneer dryer. It is energy saving and environmentally friendly and reduces the drying cost greatly.

As part of our plan to upgrade technology, XIN ZI MUYE COMPANY LIMITED will import an advanced plywood Edge Trimming Machine. This machine is used to cut the raw board to meet the size requirements of the finished board. During the production of veneer, in order to make sure that the size of the plywood meets the requirements, there will be margin size left. The plywood board after hot press is slightly larger than the specified size. Through edge trimming, the margin left will be removed.

The company shall ensure all plywood and marine boards associated machines are ones with good capacity and standards machines such as plywood core veneer patchier, core veneer composing machine, automatic plywood core veneer patching machine, hot press machine for shuttering plywood, spindle less veneer peeling machine, spindle less veneer peeling machine line, hydraulic barking machines, Veneer stacking machine, Veneer Rotary Clipper, Log centering/log conveyor/fibber tenderizing and spindle Veneer peeling Machine line to mention a few.

### **3.2 Expansion of production workshop and plant at large.**

XIN ZI MUYE COMPANY LIMITED, has aimed to providing a safe and comfortable work environment separate from a surrounding facility which is a great way to increase employee productivity and satisfaction.

To attain this, the company will prefer and build modular in plant workshops and offices which will provide safety & comfort in a contained workspace with some essential options including.

- i. Noise reduction ratings:** our modular in- plant workshops and offices will offer sound transmission class ratings. These ratings will ensure our employees are protected from loud machinery or factory surroundings so they can focus and complete task more efficiently.
- ii. Privacy and security:** modular rooms will be equipped with security features to limit access or visibility. These customizations will keep sensitive operations or information safe from unauthorized personnel.

- iii. **Temperature control:** this will be particularly useful in unconditioned sections, in-plant offices will be equipped with a variety of AC unit types to keep our employees comfortable throughout the workday.
- iv. **Unlimited size:** our structures will accommodate one to hundreds of employees. Larger office complex will be easily created by sub diving the perimeter walls with a series of modular wall partitions.  
**XIN ZI MUYE COMPANY LIMITED** will as well erect and build permanent concrete structure like residential houses for her personnel, warehouses and garages within the factory site

#### 4. PROJECT SPONSORS.

The Xin Zi Muye Company limited will be sponsoring the project. The company is currently jointly owned by three shareholders. The authorised share capital is 500000000TZS.

Class of shares, class ordinary 5000 shares, 100000 TZS/share, 500000000 TZS

Shareholders	Number of shares	Nationality
WU CHANGDI NO.057, ADMINISTRATIVE VILLAGE, YLOU HUANG'AN TOWN, YUNCHENG COUNTRY, SHENDONG PROVINCE BUSINESSMAN	2000	CHINESE
LI XINYIN NO.235, ADMINISTRATIVE VILLAGE, YLOU HUANG'AN TOWN, YUNCHENG COUNTRY, SHADONG PROVICE, CHINA	1500	CHINESE
LI YILEI NO.057, ADMINISTRATIVE VILLAGE, YLOU HUANG'AN TOWN, YUNCHENG COUNTRY, SHENDONG PROVINCE BUSINESSMAN	1500	CHINESE

#### 4.1 Expansion/increase of capital.

A part from the current capital, XIN ZI MUYE COMPANY LIMITED has planned to increase and expand the working capital as following

Source of capital	Amount US\$	TOTAL
Foreign loan	200,000	200,000

## **4.2 Payment Options**

The payment adopted by marine boards is all inclusive because we are quite aware that different customers prefer different payment options s it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Tanzania

Here are the payment options that marine boards, veneers and plywood will make available to the clients.

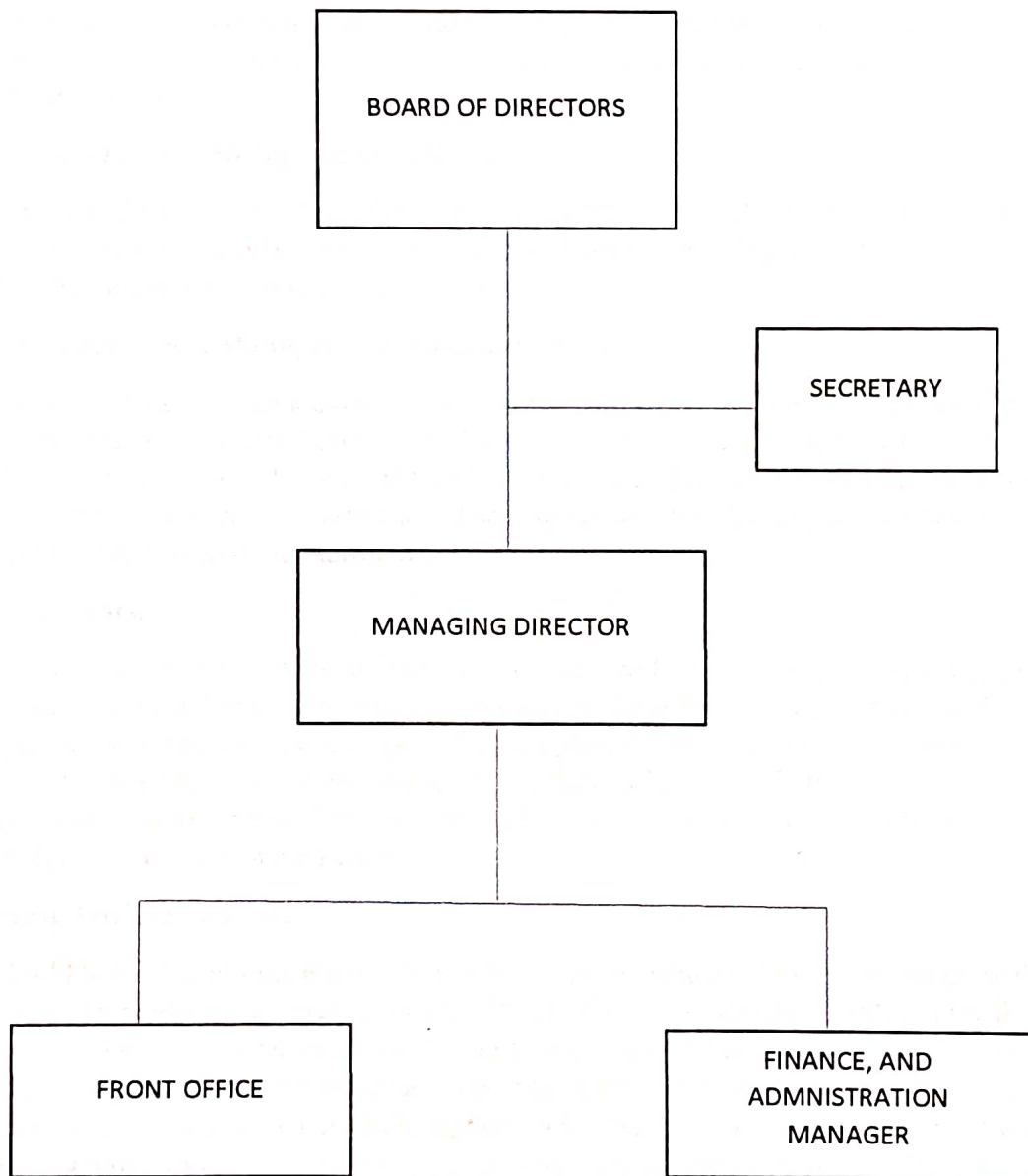
- Payment via bank transfer.
- Payment via credit cards.
- Payment via online bank transfer.
- Payment via check.
- Payment via mobile money transfer.
- Payment via cash.

In the view of the above, we have chosen banking platforms that will enable our clients make payments for plywood and related wooden products purchased without any stress on their part

## **5.0 Projects Management and Manpower Requirements.**

Xin Zi Muye Company limited will be under the management with well experience in managing various section, the overall in charge regarding policy and business strategy will be the company managing director who will be responsible to the board of directors. The managing Director will be assisted by properly trained managers in areas of sales, marketing, finance, administration and operation who will together comprise the management team. Approximately 77 of staff will be directly employed.

**5.1 ORGANIZATION CHART.**



## **5.2 Recruitment of more Workers / Employees**

**XIN ZI MUYE COMPANY LIMITED** believe that the employees are the true assets of an organization. They are the one who contribute effectively towards the successful functioning of an organization. They strive hard to deliver their level best and achieve the assigned targets within the stipulated time frame.

To meet our strategy to upgrade technology and production of finished and value – added wood products, our company shall recruit more workers especially Tanzanians with expatriates and those unskilled to cover large opportunity of both permanent, contractual and short – term employments as follows.

### ***I. Increase of more chief operating officers.***

The company will add a number of chief operating officers (COO) in different production major section who are senior executives, and the will be tasked with overseeing the day to day administrative and operational functions of a business.

### **II. Human Resource, Manager and Administrators.**

For the purpose of allowing a business to better maintain and target the right kind of talent to employ – having the right technical and soft skills to optimize various functions within the company; **XIN ZI MUYE COMPANY LIMITED** will revise and increase number of personnel to work in the Human resources department and administration from the current number of two to Ten whereas 8 out of it shall be Tanzanians.

### **III. Accountants.**

In order to ensure better performance in preparing accounts and tax returns, auditing financial information, compiling and presenting reports, budgets, business plans, commentaries and financial statements, analysing business, providing tax planning services based on current legislation and financial forecasting and risk analysis; **XIN ZI MUYE COMPANY LIMITED** will employ skilled and experienced accountants and cashiers at least three in number and emphasis shall be on Tanzanian applicants.

### **IV. Translator/interpreters.**

In order to build link of communication between the investors who are Chinese nationals with Tanzanian work force and government official, **XIN ZI MUYE COMPANY LIMITED** will employ more translators/interpreters who will read through or listen to material in one language (Chinese/English), ascertains understanding of the meaning and context of that material, and converts it into a second language (Swahili/English), while making sure to preserve the original meaning. The targeted translators/interpreters to be employed by our company are Tanzanians who graduated from local universities and colleges such as University Of Dodoma, University Of Dar es Salaam, St. Augustine University of Tanzania (SAUT), Mzumbe University, and more institutions

## **V. Permanent and Temporary Workers.**

For the purpose of meeting quality and quantity in production of finished and value – added plywood, veneer and marine boards, the company shall recruit more permanent workers including regular workers whose contracts last for 12 months and over.

Also the company will recruit a large number of up to 250 temporary workers on a fixed term contract or whose expected duration of main job is less than one year with seasonal/temporary /fixed contract work supplied as the reason will allowing.

### **5.3 The summary of employee is estimated as following.**

<b>Employment</b>	<b>Foreign skilled</b>	<b>Local skilled</b>	<b>Local unskilled</b>	<b>Total</b>
Women	-	35	105	140
Men	2	57	146	205
<b>Total</b>	2	92	251	345

## **6.0 MARKET TREND.**

### **6.1 MARKET ANALYSIS.**

The market trends as it involves the wood panelling manufacturing industry especially in Tanzania and abroad is indeed dynamic and at the same time highly competitive and challenging.

If you are observer of the trends in the wood panelling manufacturing industry, you will notice that the revenue generated by players in the industry has registered a sharp increase over the last half decade. This is supported by the increase in demand from downstream construction industries.

Also improvement in the performance from the industry matched with the rapid expansion in demand for plywood and related wooden products in the booming housing market and non – residential building market in Tanzania. Going forward, industry revenue is expected to grow.

### **6.2 Our Target Market.**

Our target market are basically construction companies, woodworking companies and any other company that makes use of finished plywood, veneers, and related wooden products. We cover both short distance (interstate) and long distance (intra state).

In other words, our target market is the whole of the Tanzania and China and below is a list of the people and organization that we have plans to make business with;

- Construction companies.
- Wood working companies.
- Wooden panelling and partitioning companies.
- Furniture manufactures.

- Carpenters.
- Cottage companies that make use of plywood.

### **6.3 Our competitive advantage.**

Our major competitive advantage is the vast industry and solid reputation of the chief executive officer of the company and our management team. We were able to highlight some factors that will give us competitive advantage in the marketplace.

Some of the factors are trust, honesty, good network, and excellent relationship management, well qualified and experienced management team, top – notch products, robust fleet operations, direct access to forests and construction sites in Tanzania, our size advantages, cost advantages, supply chain, customer loyalty and strong reputation amongst domestic industry players.

Another competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we can comfortably work with both individual clients (constructors) and big construction companies

Lastly our employees will be well taken care of, and their welfare package will be among the best within our category (start-ups plywood manufacturing companies in Tanzania )in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and objectives.

### **6.4 Our Pricing Strategy.**

- Marine boards have perfected our plans to charge competitive rates since we have minimal overhead compared to our competitions in the industry.
- We will ensure that we leverage on price to win over customers; our prices will be affordable and negotiable. The fact our business door is open to both individuals and corporation organizations means that we will have different price range for different category of clients.
- We are aware that government contracts come with a bidding template, we will ensure that we abide by such bidding templates whenever we have the opportunity to bid for government contracts. As the business grows, we will continue to review our pricing system to accommodate a wide range of clientele

### **6.5 Sales and Marketing Strategy.**

We are aware that networking is an effective way to big building your client base as businessman or woman and we have plans to leverage on all our networks. In view of that, we will look out for gatherings where we can network with captain of industries, construction contractors, wooden products manufacturing companies, woodworking companies and furniture manufacturing companies.

**At XIN ZI MUYE COMPANY LIMITED** all our employees will be directly or indirectly involved in sales and marketing of our finished plywood and marine boards and other wood products.

We will create provision for our employees to earn commission when they bring in business for the organization. We will also encourage freelancers to work with us whenever they refer clients to us, they will earn a percentage of the deal agreed by both parties.

Lastly, we will leverage on the power of the media by advertising our services using both online and offline platforms. We will work hard to ensure that get repeated business from any business deal we execute. Part of our strategy is to reward loyal customers and to leverage on word – of- mouth marketing from satisfied customers.

#### **7.0. Monitoring and Evaluation.**

The management has full commitment to ensuring good use local resources, maintaining a healthy and sustainable environment as well as ensuring the well-being of the community surrounding the manufacturing site. The management philosophy is that through its business best practices, managers will ensure compliance to international best standards in relation to the safety quality of products ensuring that the customers they receive world class products.

The monitoring and evaluation toots will be applied in running this project as well, the project sponsors are determined to give full cooperation to the government and other stakeholders for smooth business running.

#### **8.0. Project Investment Cost.**

The estimated capital investment of the project is US\$800,000/=

#### **XIN ZI MUYE COMPANY LIMITED COST STRUCTURE US \$**

<b>NO.</b>	<b>PARTICULA</b>	<b>AMAOUNT IN US \$</b>
1	Land / building	240,000/=
2	Plant	100,000/=
3.	vehicles	50,000/=
4.	Furniture and fittings	20,000/=
5.	Pre expenses	30,000/=
6.	Others	10,000/=
7.	Working Capital	350,000/=
	<b>Total</b>	<b>800,000/=</b>

#### **9.0 Five years implementation plan.**

Project implementation is expected to be relatively long project once the project has been approved it is estimated that establishment of manufacturing site will be full completed within five years

<b>No.</b>	<b>Activity</b>	<b>Period</b>
1.	Renting land	June 2023
2.	To apply for relevant local licences and compliances to all government agencies	August –September 2023
3.	Processing TIC certificate of incentive	November 2023

4.	To conduct and recruitment for workers for both permanent and temporary employees	October 2023
5.	Construction of buildings and manufacturing site	November 2023
6.	Furniture fitting, purchasing of vehicles and operational machines	December 2023.
7.	To import good plying machine	January 2024
8.	To buy more machine for manufacturing of veneers	February 2024
9.	Installation of good ply machine with all safety and environmentally friendly standards	March 2024
10.	To recruit more skilled and unskilled workers to accommodate the expected production of veneers and plywood finished products	April 2024
11.	Testing production and training of the workers.	May 2024
12.	To commence production of quality veneers	July 2024
13.	Marketing and expand business outside Tanzania (export veneers and plywood finished products) expanding into plywood market both national and international.	2025
14.	To commence production of marine boards.	2026
15.	To develop the infrastructure to ensure business maintenance and growth	2027

#### 10.0 Project economic aspects.

Implementation of this project will have the following social and economic values.

- The project is an ideal option for utilization of the recently acquired prime site.
- The project will increase the value of timber industry in Tanzania.
- The project will create employment for 25 people on permanent contract basis as well as on temporary basis.
- It will create business to local forestry sellers and transportation agencies.
- The project will transfer knowledge and skills to locals.

The project will generate revenue to the government in the form of corporate tax, value added tax and pay as you earn tax

#### 11.0 Recommendation

The project technically feasible, financially viable and economically sound, provided the sponsors will manage it efficiently. It is our recommendation that the project will be approved by Tanzania Investment Centre (TIC) and granted the TIC certificate of incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act. 1997.

## 12.0 CONCLUSION.

One thing is certain, once our Company starts manufacturing of finished and value added quality veneer, marine boards and plywood products we can gain credibility. It will be much easier for the company to secure permanent contracts with big construction companies, furniture manufacturers and wooden product production companies whom are always carrying out construction works regular basis.

This will ensure sustainability of creation of and more reliable employment to Tanzanians and thus improving live hoods of more individuals and families; also, the company will be one of giant taxpayers and compliant hence increasing the national income and development at large.

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**MANAGING DIRECTOR.**