

TRACE INCORPORATION COMPANY LIMITED

BUSINESS PLAN



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TRACE INCORPORATION LTD

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Executive Summary

In Tanzania, the external trade in goods and services as a share of gross domestic product amounted to 35.02 percent in 2022. This indicates the importance of Trade, Transport and Logistics industry to the economic development of the United Republic of Tanzania.

TRACE INCORPORATION COMPANY LIMITED is a limited liability company with Registration number 163172739. The Company was duly incorporated on the 13th day of February 2023, having its Head office located at 10 Ursino Street, Regent Estate, Kinondoni District, Dar es Salaam - Tanzania.

Our business focus is geared towards achieving a smart, automated and borderless electronic cargo tracking solution, implemented on smart digital trade and transport corridors, by a professional and competent Human resource, with support of a facilitative hard and soft infrastructure, to deliver an efficient service to the key stakeholders and customers in the value chain.

The company offers Electronic Cargo and Vehicle Tracking Solutions with Front End Intelligence (FEI) Technology that revolutionizes a standalone tracking to an integrated telematics echo system that enables real time interactive, intelligent, and event-driven cargo and transport management.

Our services range from electronic tracking and monitoring, Mobile Digital Video Recording, Automatic Number plate recognition, Smart Gate Operations, Ultra-modern Integrated Designated Truck stops Areas, to the provision of Closed Circuit Television (CCTV) services. We endeavour to ensure there is efficient monitoring and accountability for the Cargo, the trucks, and the drivers.

Trace Inc products and solutions brings positive impact to various stakeholders in Tanzania and the region including;

- Revenue Authorities
- Ports Authorities
- Railway Authorities
- Customs and freight forwarding agents
- Transporters
- Importers and Exporters
- Shipping lines
- Manufacturers
- Banks
- Insurance Companies

Using cutting edge technologies, we seek reduce the clearance delays, the cost of doing business; to improve the operational efficiency and service delivery in the Trade, Transport and Logistics industry; that will in turn assist increase business turnaround time, tax compliance and support Government effort to create jobs and increase Revenue collections.

Whereas Tanzania and Zambia have been earmarked to pilot our operations, we do intend to cover the thirteen (13) Southern Africa Member countries, that are linked with overseas countries through eighteen (18) trade and transport Corridors and twelve (12) sea Ports.

For the case of Tanzania, our operations shall cover the Ports of Dar - es salaam and Tanga; alongside with the major trade routes that link her neighbouring countries through the twelve (12) major Border stations namely Kasumulu, Tunduma, Kigoma, Manyovu, Kabanga, Rusumo, Mutukula, Sirari Namanga, Tarakea, Holili, and Horo Horo.

In Tanzania alone, our company envisages to employ an initial number of sixty-six (66) staff at the inception of its operations in the first year, with an additional one hundred and fifty-three (153) brought on board by the end of the second year of our operations to achieve a total number of two hundred and nineteen (219) Staff.

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CHAPTER ONE

INDUSTRY ANALYSIS

Growing economy:

As the African economies regain speed towards expansion and growth of various sectors, the resultant effect is the drive towards growth of the logistics and transport sector.

As more businesses are importing and exporting goods, the demand for efficient and reliable ECTS services increases.

As a country, Tanzania has continued to experience an upward trend in port cargo through put.

Trace Inc is well positioned to bring about products and services that add value and address the challenges of the growing and emerging markets.

Government initiatives:

The government of Tanzania is making efforts to improve the country's infrastructure and attract more foreign investment. This can be witnessed by the upcoming of international ports Management and operating companies such as DP World and Adani; SGR railway phases, roads expansions, etc.

These initiatives are expected to cause a sharp increase in the logistics and transport sector and particularly create more demand for the Cargo and vehicle tracking and monitoring services in the industry.

Market Segmentation

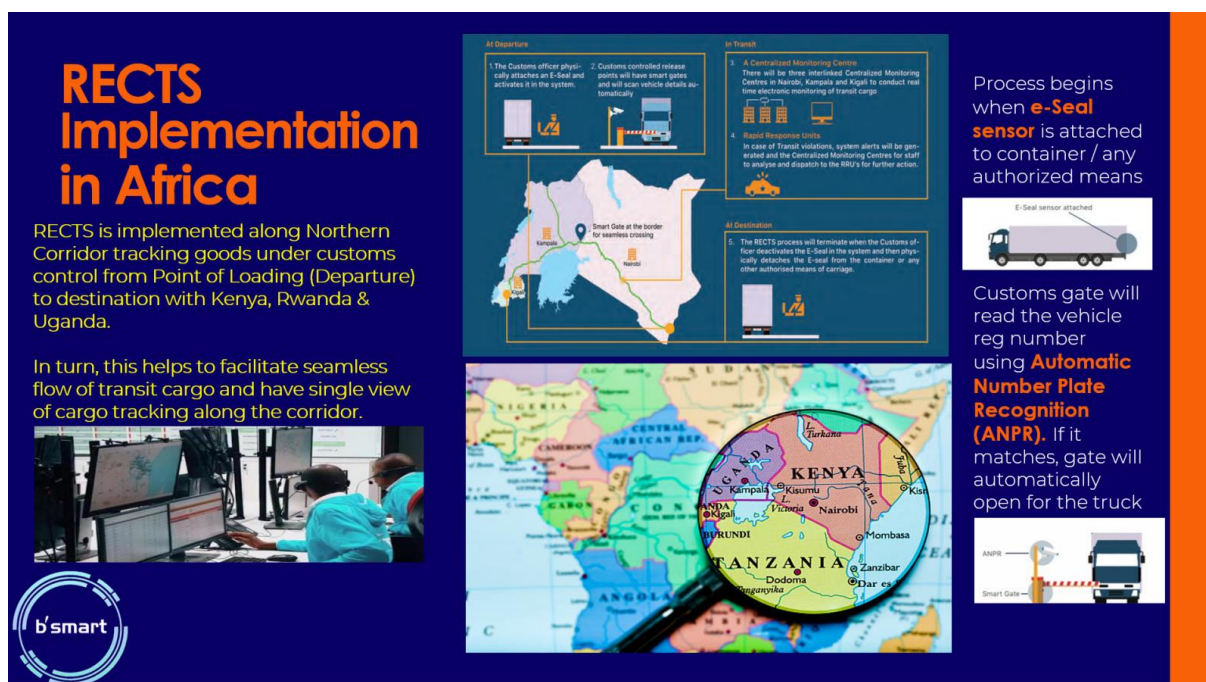
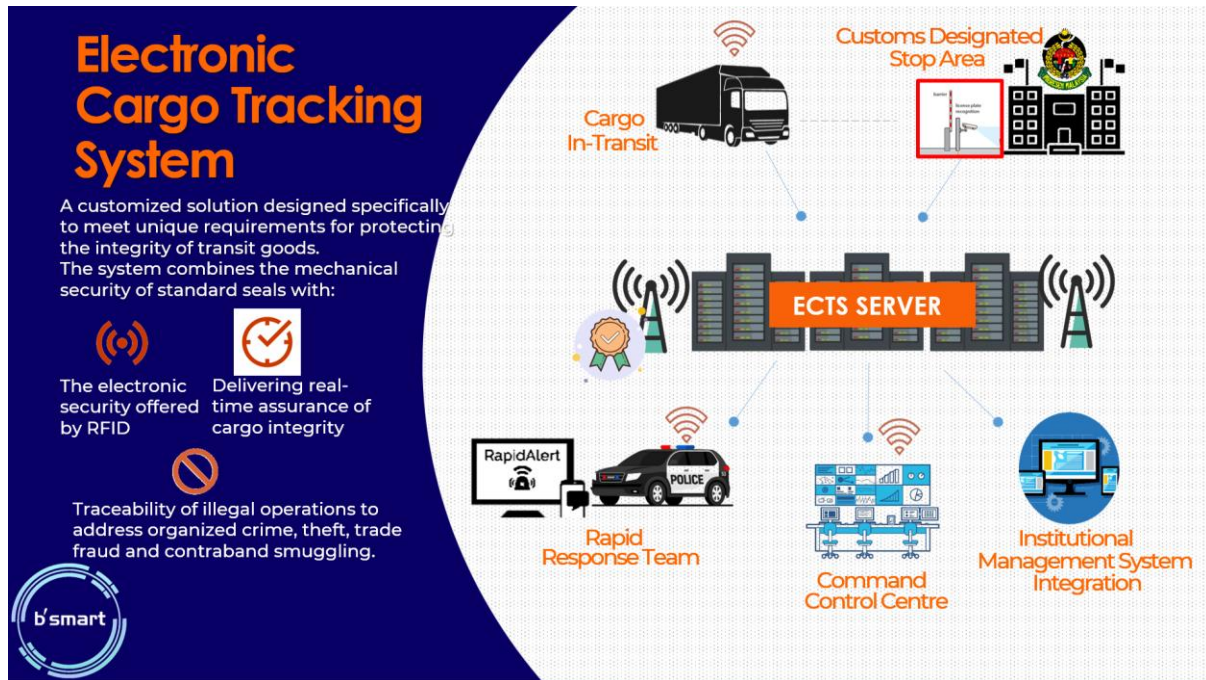
As a Company, Trace Inc Ltd has segmented the market into the following two main categories which are;

- 1. Institutional:** Trace Inc Ltd is determined to provide services to governmental institutions such as TRA, TPA, LATRA and others towards enabling them to achieve their targets.
- 2. Private sector:** Trace Inc services cover a wide range of businesses in the private sector including banks, transporters, Clearing and forwarding companies, Insurance companies, etc

Technological advancements:

With the logistics and transport sector becoming more technology-driven, it is inevitable that the Authorities and businesses adopt and use technology to improve efficiency and reduce costs in order to maintain a competitive edge in the market.

The following is technical specifications and information on our proposed Cargo and Transport video and speed surveillance device and solution:



CHAPTER TWO

COMPANY DESCRIPTION

2.1 The Company

Trace Incorporation Company Limited, “Trace Inc Ltd’ Ltd is a privately owned tracking Services Company established in 2023, providing end to end tracking systems and services, covering across the East and Central African region. Trace Inc provides efficient and reliable tracking services to stakeholders in Tanzania and across the borders via different corridors including the Southern and the Central corridor.

Trace Inc Ltd is having its headquarters at 10 Ursino Street, Regent Estate, Kinondoni District, Dar es Salaam.

Trace Inc’s vision is to become the leading privately owned cargo and assets tracking company in Tanzania and in the East and Central Africa Region.

2.2 Company Products and Services Offered

- Cargo Tracking Solutions - E-SEALs
- Fuel Tracking and monitoring Solutions - E-FUELS
- Mobile Video Surveillance – MDVRs (installation of Video Cameras)
- SMART Gates
- Centralized Monitoring Centre
- Field Rapid Response Team
- Drivers Identification and monitoring System
- Documents Verification Services
- Container Guarantees

Trace Inc has established a state of art 24X7 Centralized monitoring Centre to offer Real Time Speed Compliance System and Fleet Management System. CMC features include:

- Real Time Electronic Cargo Tracking Services
- Real Time Video and Speed Surveillance for Transport
- Real Time Driver Fatigue Monitoring
- Real Time Fuel Monitoring
- Real Time PSV Performance Monitoring
- Real Time PSV Speed Compliance Monitoring
- Driving Behavior Compliance Report
- Services Reminder Report (maintenance / insurance / service due reminder)
- Fleet Management System (FMS)
- Cashless Ticketing and Payment System
- Electronic Tax Register (ETR)

2.3 Strategic Partnerships and Investments

Trace Inc Ltd has a well-established operational relationship with BSMART Technologies, the manufacturer and supplier of all of the Electronic devices and Systems used by Trace Inc.



CHAPTER THREE

MARKETING PLAN AND STRATEGIES

The comprehensive marketing plan and strategies for Trace Inc Ltd, includes

- 1. Products and Services:** Trace Inc Ltd will supply a range of products and services such as electronic seals and related equipment and services for cargo tracking, according to customers' needs in their different market segments.

Trace Inc envisioned rollout plan for the first three years:

<i>Year</i>	<i>Number of Subscribers/Users/Scope of Coverage</i>
2023/24	20,000 ECTS/Speed and Video Surveillance/FMS/ETR
2024/25	40,000 ECTS/Speed and Video Surveillance/FMS/ETR
2025/26	50,000 ECTS/Speed and Video Surveillance/FMS/ETR

- 2. Price:** following a thorough market analysis, having in mind the quality and strength of the gadgets and services, Trace Inc Ltd will set very competitive pricing for the services. The company also plans to regularly review prices to ensure that they are competitive and in line with market demands. Discounts and promotions of new products may happen to attract new customers and retain existing ones.
- 3. Promotion:** Trace Inc will use a variety of promotional techniques. This will include stakeholder engagement meetings and workshops, attending trade shows and industry events, and leveraging the power of word-of-mouth marketing through satisfied customers.
- 4. Distribution:** Trace Inc will ensure that all services are easily accessible to our target market. In line with this, Trace Inc will ensure that the company maintains sufficient stock of electronic cargo tracking devices, a minimum range of at least 3,000 - 5,000 units at any point in time.
- 5. Sales Cycle:** Trace Inc will establish clear sales cycle to ensure that all potential leads are effectively followed up and converted into customers. We will also implement a customer relationship management system to keep track of customer interactions and ensure that our sales team has all the information pertaining to the clients.
- 6. Market Research:** Trace Inc will conduct regular market research to understand the needs and challenges facing our target market and to identify any new trends or opportunities in the market. This will involve conducting surveys, focus groups, and market analysis to understand our target market's needs, wants, and pain points. We will use this information to tailor our services to meet their needs and to identify new opportunities for growth.

As one of strategy to build awareness in the market, Trace Inc Ltd will always maintain some interactive demo sessions with stakeholders to our main Office, to allow them to tangibly see cargo tracking processes and visibly experience and learn through our demo Centre.

We will also leverage our website and social media channels to reach our target market effectively.

CHAPTER FOUR

MANAGEMENT TEAM AND STRUCTURE

8.1 Management Structure

The management structure of the company is divided into four main departments:

1. Technical Department
2. Operations,
3. Finance and Administration, and
4. Sales and Marketing.

Each department is headed by a department manager who will report to the General Manager. The General Manager will be responsible for overall company strategy and operations, and will be supported by the Project Directors.

8.2 Management Team Skills Profile

The General Manager Mr. Paul Rutahindurwa, holding extensive experience in business management and logistics holding a Master's degree in finance and Accounting from the University of Dar Es Salaam.

8.2.1 Project Director

Mr. Joseph Mukiibi with extensive operational experience in championing ECTS projects in Uganda, Rwanda, Kenya and Tanzania. Joseph is a certified Project Management professional and holds a Bachelor of Science in Computer Science from St. Lawrence University in Kampala, Uganda

8.2.2 Lead Developer

Mr. Wenzheng Zhu with experience in IT Devops Lead and the software developer from BSMART Technologies. Mr. Wenzheng is positioned to provide a 360 back-up to Trace Inc System operations. He holds a double major, including a Bachelor degree in Communication Engineering and a Master's degree in Radio Physics from Sun Yat-Sen University of China.

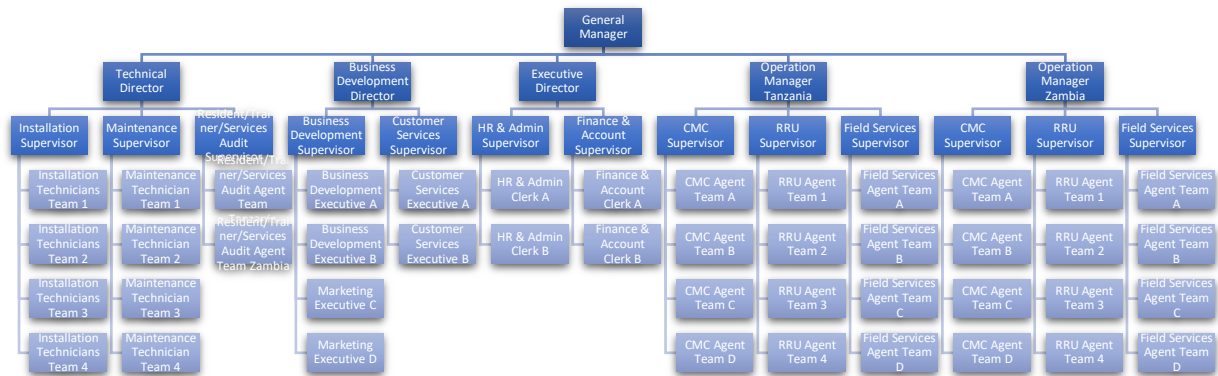
8.3 Board of Directors

The duties of the Board will include:

- Providing strategic guidance.
- Offering expert advice.
- Facilitating networking opportunities.
- Providing oversight.
- Providing mentorship.

Overall, the Board of Directors will therefore play an important role in providing guidance, advice, and counsel to the company. Their expertise and experience will be invaluable in helping the company achieve its goals and objectives, and navigate the challenges of operating in the industry.

Organizational Chart



Overall, the board of directors, the GM and management team will work together to ensure the success of the company. Each of them will have specific roles and responsibilities but will also collaborate closely to make important decisions, manage resources and ensure that the company is meeting its goals and objectives.

CHAPTER SIX

FINANCIAL PROJECTIONS

10.1 Project Funding

In the initial stage of starting operations, Trace Inc Ltd has prepared an amount equivalent to USD 500,000 as working capital to support operation expenditure and USD 1million for the initial capital expenditure for the office set up, including relevant ICT equipment, devices, vehicles and other products.

CAPEX within the project plan is expected to start in the tune of USD 20.7 million. However, Trace Inc's fully-fledged operations will require a heavy capital investment in the operational assets, equipment and system infrastructure to the tune above USD 100 million, as indicated in the investment schedule attached below.

10.2 Cash Flow Projections and P&L Statements (attached below)

Trace Incorporation Ltd's activities will involve constant delivery of products and services in the operations.

With this is mind, the management of Trace Inc has prepared sufficient tracking devices including the mobile DVRs for the transporters and other stakeholders.

Therefore, the initial phase of operations will involve a minimum number of 3,000 devices. That has formed the basis of our projections in the attachments below.

Trace Inc targets to achieve the following minimum results (Figures in TZS 000')

	Month 1	Year 1	Year 5
Revenue	1,091,122	13,093,469	49,787,915
Operating Expenditure	617,315	7,407,782	21,808,971
EBITDA	473,807	5,685,686	27,978,944

(more details attached below)

Conclusion

In conclusion, based on the market analysis, the company has identified that the industry is large and growing, with a significant demand for tracking services in Tanzania and within the East & Central African region.

Trace Inc has segmented and selected its target market by focusing on small and medium-sized enterprises, as well as large corporations that need efficient and effective integrated systems.

To achieve the objectives of the company, Trace Inc Board is prepared to invest sufficiently into the project asset and infrastructure to match technological requirements in order to ensure provision of effective and efficient services to all stakeholders.

In accomplishing the company objectives, Trace Inc is engaging a strong management team with combined vast and cumulative field experiences and integrity in the space of ICT, logistics and as well as the operations of the tracking and monitoring systems across the region.

The company's financial projections for the first year of operations shows that it is expected to generate a stable balanced sheet and maintain revenues of above TZS 10 Billion annually, with a net income above TZS 5 Billion. Hence, projections show that the project will break-even within the two to three years of operations.

It is of paramount important to notice that Trace Inc's business Project will bring about substantial benefits to Tanzania as a country including,

- Employment – direct and indirect human capital deployment throughout the country
- Assisting in improving Government revenue collections
- Improve Cargo & vehicles Security
- Minimization of dumping effects
- Efficiency and clear visibility to transporters vehicles & shipping line assets.
- Etc

Therefore, Trace Inc Ltd will embark on the project plans on a self-financing model and be able to provide reliable and efficient services to its clients.

To achieve the set objectives, Trace Inc intends to work closely with the Authorities including TIC and TRA, and will request for multiple Investment incentives to assist in the importation of crucial Capital items and other business facilitations required.

The company's vision is to become the leading privately owned cargo and assets tracking company in Tanzania and in the East and Central Africa Region.