

BUSSINESS PLAN

FOR

NSB TRANSPORT LIMITED

APRIL 2023

1. Executive Summary
1.0 Background and Objectives

NSB TRANSPORT LIMITED was incorporated on 8th May 2020. Its intended principal activity is Transportation and Logistics

NSB TRANSPORT LIMITED intends to a fleet of more than 100 trucks, currently the company already acquired three trucks and Trailers to start operation, as we are expected to cover Eastern and Southern Africa. Our aim to serve our customer with quality and speed by having quality and reliable trucks, Cargo Managements system and qualified staff.

1.1 The Company

NSB TRANSPORT LIMITED is a private liability company engaged in the running Transport business, mainly fleet managements, cargo movements between eastern and southern Africa. The company has been registered under Company law in 2020 with certificate number 141634534. It is primarily a family business with the following shareholders.

	Director/Shareholders	Shares
1	Abdulkadir Mohamed	60
2	Safiya Haji	10
3	Najma Sheekh	10
4	Salim Sheikh	10
5	Nasser Sheekh	10

Sponsors/shareholders

The shareholders have extensive and long-term exposure in Construction, Transport and Logistics industry, they have been in the industry for over 20 yrs both locally and abroad.

1.2 Company History

The Company has long history in the Logistics Industry since 2009, Our Sister Company has been running through out from 2009 to date.

The Shareholders have identified an opportunity that would enable them to utilize their new facilities to offer modern and international standard Logistics services

1.3 Company Location and Facilities

The company's principal Location is at Off Nyerere Road, Monrovia street, plot no. 3B, Temeke within Dar es salaam City. We expect to have one Yard equipped with state of the art Garage, one large office to accommodate managements and one store for spares. Also will include car shades, waiting lounge for drivers equipped with kitchen facilities for serving tea and lunch for staff and drivers.

1.4 Market Analysis

The main competitive advantage the company has is the directors' knowledge of the market, the location and Standard and quality of the service to provided, our sister company Sahara Logistics has been in the industry long and is one of the leading service provider for the southern route to Zambia, DRC, Malawi and Zimbabwe. Already we have a customer base inherited from our sister company also has a broad and loyal clients ranging from Multinational Companies, International and Mining companies in DRC and Zambia. Should the funding that has been injected deliver the growth forecast, it will enable the company to build on activity levels and achieve the anticipated level of trading in the first period of trading.

1.5 Market Logistics

The Company has already started outsourcing all advertising services especially from overseas, requirements from overseas are all worked out. Also local means are all planned including local media such as radio and local newspaper to target all potential Clients based in Dar es salaam but representing companies in the whole of eastern and southern Africa i.e Clearing agents,

1.6 Competition

The company has researched its market in All of Eastern and Southern Africa and identified there is lot of trucks and companies playing the same route but mostly are owned by individual with less than five trucks, they don't have proper managements, they also not using modern systems and most trucks are old hence achieving delivery time is a major problem

The company will focus in these particular segments of the market and attempt to gain a share of the market in the regions by acquiring modern trucks, employing GPS tracking systems, trained and qualified drivers and state of the art maintenance system including road patrol and quick fix unit to avoid delays in delivery time.

1.7 Organizations and Management

The overall management of the company is vested to the Board of Directors, which are responsible for the formation of policies guidelines. The Managing Director and Directors are charged with operation and management staff in the technical transport, Administration and Finance, supports Sales activities. The management is competent to operate the company successfully.

Special attention will be given to Logistics and Repair & Maintenance departments in order to maintain high quality services by having independent departments for both with quality assurance manager

1.8 Financial Aspects

The capital investment cost of the project is US\$ 1,500,000 as can be noted in Appendix 1 the financing of the projects includes the amount of owners' equity/own generated funds.

1.9 Economic analysis

The Implementation of the project will contribute to the national economy in the following areas: -

- (i) A direct employment of 42 jobs is a contribution to the nation with high rate of unemployment
- (ii) The Government will earn revenue in the form of corporation tax. The project will also contribute indirect tax e.g. PAYE withholding tax etc.

1.10 Infrastructure and environment

Infrastructure to the site is adequately developed.

As far as environment is concerned, programme to keep the Yard/Garage and its surroundings clean and clear of waste are being implemented. The Yard will not involve any toxic, gases or grease materials, so it is considered environmental friendly.

1.12 Implementation Schedule

Implementation is projected to take a period of 18 months. The period will cover the time the project has been conceived to the time the project will be commissioned with critical events listed here below.

2.0 THE PROJECT

2.1 Project Concept

The project intends to establish an international standard transport and logics, to serve the whole of eastern and southern Africa. To assist good flow of cargo from port of Dar es salaam to the land locked neighboring Countries. Also we are expecting to serve local business by creating a local transport services within Tanzania.

The project also intends to acquire new Trucks and trailers, new office furniture, fittings, computers and telecommunication system, Modern GPS tracking Systems, Modern Garage equipments, Truck Diagnostics systems and construction of Office and Garage building. In order to strengthen performance and maintenance of the company we will requires 4WD Pick up equipment Maintenance equipments for Roadside repair when required.

3.0 MARKETING ASPECTS

3.1 Markets

NSB TRANSPORT LIMITED will establish a chain of clients who are regular customers for the accommodation and services rendered by the Hotel. The company expects to receive enquiries for the services from all over Tanzania and the Whole Eastern and Southern Africa as we base on transport all kinds of Goods, including loose cargo, containerized cargo and dangerous cargo thus covering the whole aspect of logistics

3.2 Competition

The competition in the transport industry is relatively stiff because it involves companies from both Tanzania and all its neighbouring countries, but but setting high standard, proper Managements, our location (near Dar es Salaam port) and use of modern Trucks, modern facilities i.e garage and use of GPS System to track and provide position to both Managements and clients all the time. We also have the best experience and knowledge of the Transport industry for over 20 years, this experience has made us above the rest as we also count on much experience staff to offer international standard services to our customers.

NSB TRANSPORT LIMITED intends to have to gain its share of market from its competitors, and this has been the one among other reasons for the urgent investment requirements, As you aware the economic situation in the word has been badly affected by recession and recently Covid-19 Pandemic, we expect our service to base on solving the challenge of delay in delivering goods this was a main advantage we are going to use to overcome completion, as we said before we will invest on modern technology to make sure cargo is delivered on time and retain customer satisfaction.

This is the main reason leading to the decision to establish this project in order to capture the market and further increase the opportunity to attract more customers.

4.0 FINANCIAL PROJECTIONS

4.1 Financial Items

To develop the project, the items listed below will form part of investment.

DESCRIPTION	USD	TOTAL
Trucks & Trailer	1,250,000	1,250,000
Equipments	40,000	40,000
Furniture & Fitting	20,000	20,000
Others	50,000	50,000
Other Vehicles	40,000	40,000
Working Capital	100,000	100,000
TOTAL INVESTMENT	1,500,000	1,500,000

4.2 Financial Structure and Source

The sponsors will contribute the project financing and if necessary financing institutions that will be requested to provide long-term credit in future to finance working capital.

	Amount	US\$
Equity	1,500,000	1,500,000
Loan	0	0
Total	1,500,000	1,500,000

5.0 MANAGEMENT AND ORGANIZATION

5.1 Management

The management of NSB TRANSPORT LIMITED is established according to the company memorandum and Articles of Association establishing the company.

The management of NSB TRANSPORT LIMITED will be headed by a Managing Director who will be assisted by a managers of departments, Transport & Maintenance, Marketing and Planning, Administrative and Finance. For the efficient operation of the company, all key positions will be staffed with qualified and experienced personnel.

The company will employ 21 people.

5.2 Training & Systems Managements

Global positioning system in Tanzania is not new. This system will be installed in our Headquarter, The company will employ qualified staffs who are fully trained and with number of years in the transport industry both in Tanzania and other countries. Training requirements will be conducted within the company to involve the new employees to be recruited. The training will be conducted on the job to involve several workers as it may require.

6.0 ECONOMIC CONSIDERATION

6.1 Project Priority

NSB TRANSPORT LIMITEDS will introduce a new technology and modern equipments in the transport industry which will improve the services provided by reducing time taken to deliver cargo from port of Dar es salaam to all destinations in the neighboring countries in order to satisfy customer demands. To start we will installed modern tracking devices to curb theft also we focus on customized technology on loading/offloading and specialized trucks to cater for various goods

Linkages

The company will have backward and forward linkages the other area that is considered will link well with the proposed investment in the economic gain by the customers as a result of this investment.

Monetary effects

The company will have positive effect on foreign earnings as those most of our customers are expected to be from outside Tanzania, also all the services are expected to be charges in US Dollars, this means inflow of foreign currency to the country in general. Also multiple effect will be felt to the neighboring community as we purchase and use their local products and services.

The other area where the monetary effect will be felt is for the government earnings to taxes, employment both direct and indirect and increased profits for the company.

6.2 Employment Creation

The project will create approximately 142 jobs with capacity to expand the employment levels in the later years upon expansion. Also we expect to have multiple benefits through supplies to the company.

6.3 Foreign exchange Earnings

We expect almost three quarter of our clients will be from foreign countries due to the advertisement we are planning to make, this will turn will generate foreign currency. This is great contribution to the country in foreign exchange earnings.

7.0 Conclusion

The investment on setting a logistics is in line with the Government objective of encouraging proper development of infrastructure and transport system to encourage more cargo through the port of Dar es Salaam.

In addition, it will have a positive impact on the development of the region, as it would generate a number of benefits and more positive impact on the economy of the region. As noted above this undertaking will bring about the generation of a number of benefits and reliable incomes for the employees of the project and providers of the services and goods demanded by the project's workforce/their families.

This document has provided a full analysis on the financial, Techno-economic viability on the establishment/operation of the project undertaking along with the financing requirements/parameters have been considered and have established that the proposed project is technically sound, financially viable, and economically/socially beneficial.

In order to ensure prompt implementation of the project and achieving the production targets a number of factors have to be taken into account this will

include the level of the proposed investment in this project, economic impact anticipated, the overall status of the national economy, and the proposed project area.

In the context of the immense useful potential of this project, the management of NSB TRANSPORT LIMITED anticipates that all interested parties in the region/and the Government of Tanzania will give their full support so as to ensure timely implementation of the project and apprehension of successful operation.

CASH FLOW PROJECTION FOR NEXT FIVE YEARS
FIGURES IN USD

ITEM/MONTH	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
	\$	\$	\$	\$	\$	\$
CASH INFLOWS						
Transportation-Transit	383,000	1,149,000	2,183,100	2,379,579	2,807,903	8,902,582
Transportation-Local	18,600	158,900	300,321	327,350	386,273	1,191,444
Total Cash Inflows	401,600	1,307,900	2,483,421	2,706,929	3,194,176	10,094,026
CASH OUTFLOWS						
Salay & Wages	22,400	67,500	73,500	75,000	81,000	319,400
Spares	32,128	91,553	149,005	162,416	191,651	626,753
Fuel	200,800	549,318	1,043,037	1,136,910	1,341,554	4,271,619
Millage Allowances	48,900	146,700	159,903	174,294	205,667	735,465
Road Tolls & Licences	38,700	41,796	45,140	48,751	52,651	227,037
Printing & Stationaries	2,900	8,932	9,557	10,322	11,148	42,859
Purchase Of Fixed Assets		247,400	420,000	640,000	480,000	
Insurances	15,800	39,500	51,350	77,025	92,430	276,105
Utilities: Electricity & Water	1,400	2,400	2,600	2,700	2,900	12,000
Communication Charges	1,900	3,230	3,521	3,838	4,183	16,671
Security Charges	1,800	1,800	1,900	2,200	2,200	9,900
Rent	2,200	2,200	2,200	3,000	3,000	12,600
Pension Expenses	2,016	6,075	6,615	6,750	7,290	28,746
Bank Charges and Commissions	540	1,107	1,328	2,723	2,859	8,558
Accountancy & Audit fees	800	2,000	3,000	4,000	4,000	13,800
Taxation & Other Levies	32,128	91,553	198,674	243,624	191,651	757,629
Total Cash Outflows	404,412	1,303,064	2,171,330	2,593,552	2,674,183	7,359,141
Net Cash Flows	(2,812)	4,836	312,091	113,377	519,993	2,734,885
Opening Balance		(2,812)	2,024	314,115	427,492	740,819
CUMMULATIVE NET CASH FLOWS	(2,812)	2,024	314,115	427,492	947,485	1,688,304

ABDIKADIR SHEIKH MOHAMED



Director