

Business Plan

PAPER MANUFACTURING FACTORY



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Executive Summary of the project

Urbe Traders Company Limited has been registered under company Act, 2002, It is a company registered by Tanzanian after a thorough research on the demand and supply of paper products in Tanzania given its involvement in the manufacturing industry for several years. It aspires to operate a paper manufacturing factory. The industry is location is in Kahama, shinyanga region. Given the current situation of the availability of paper and paper products in Tanzania especially in remote area. It has come to provide solution as compared to many companies involved in the industry where the cost of transportation is high and it led to raise in price and now with Urbe Traders Company Limited establishing the industry in Kahama it will reduce cost of production hence lower price of products and ensure constant supply of goods in those areas and Tanzania in large.

Urbe Traders Company Limited has been established by individuals who are experienced in the field and it has good management, it gives assurance of its operations and existence, it has good recruitment policy which helps people in the local area to benefit from its existence in their area.

Urbe Traders Company Limited is keen on environmental conservation and other government policies to say so it adheres and comply to different policies to safeguard government interest on our operations

Urbe Traders Company Limited has its financial analysis that, it has both positive cash flow and profit for year given its financial projection for the first five years.

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1. Background and History

Urbe Traders Company Limited has been formed by Tanzanian, it has first two Directors but currently have five Directors, their names and number of shares are as shown below

Name	No. of shares
Vedasto J. Kalela	300
Alice Sebichunchu	300
Diana J. Kalela	150
Kelvin J Kalela	125
Sandrine V. John	125

Which in total makes 1,000 shares of about TZS 200,000 each. As stated in company's memorandum. Urbe Traders Company Limited since its registration has been involved with the manufacturing industry and selling business for several years. It now have its eye on manufacturing industry of papers and it has all it take to compete and become the leading manufacturer and supplier of paper and paper products within and outside Tanzania. It will ensure supply of products and at affordable price, to ensure people welfare is maintained.

2. Description of Products

Urbe Traders Company Limited will develop a variety of paper products and supply within and outside Tanzania. It will manufacture and supply and export all type of printing materials. Given current situation of paper supplies and its quality we are burdened to produce high quality papers but enough for the market and at a reasonable cost all f these are possible through our team of experts and very high quality and efficient equipment. We will have local deep local market penetration as well as international market. We promise our customers a very good quality and affordable products as well as constant supply.

3. Summary of Project description

a. Annual production capacity

Urbe Traders Company Limited believes in its ability to product and sale and its expecting to have an annual production capacity of about products inventory of TZS 2,000,000,000 in the first year and it will keep increasing over years because of the factors such as increase in brand awareness, new market penetration efficiency of both skilled and unskilled man power

b. Employment creation

Urbe Traders Company Limited is believes much in talents and our goals is to acquire both skilled labor and unskilled labor totaling 71 in the first production year and we are going to have a good policy regarding nationality and gender. But we will have mor than 100 casual labor to help in production activities

c. Technology used in production

Urbe Traders Company Limited as it aspires to have quality printing materials compared to its competitors we will high and use a very high technology tools imported from different countries which are in high level of technology.

4. Market Description

It is from our research that the market for paper products has not been fully utilized in Tanzania mainland and Zanzibar but to add to that point its even of a high cost and to reduce that impact Urbe Traders Company Limited has researched and come up with some solutions to the challenge.

Urbe Traders company Limited will manufacture and distribute high quality paper products using high level of technology such as high-quality machines and inputs, we will ensure a close availability of the products to our valued customers we will use different channels of distributions to make sure there is constant supply but at our customers convenience.

Urbe Traders Company Limited will produce variety of products likely our competitors where we have some of paper kind very scare but we will make sure we produce for what has been in our market research. All our products will be at a very reasonable prices given the fact that we will produce at bulky and we will keep our customer first before profit.

Urbe Traders Company Limited will also produce customized products, it will make sure we take even customized orders and that is very potential platform to make sure customer satisfaction

All these will allow Urbe Traders Company Limited to appear to the majority of demographic and geographic markets in order to seek the most profitability, whilst performing in this potential Industry.

5. Current alternatives and Competition

One of the biggest advantages of Urbe Traders Company Limited is its geographical location. Although there are some small competitors in near regions but the northern part of Tanzania still has no constant supply of paper materials and its cost compared to other cities. Some of the competition comes from small stationaries which sale paper products but they lack channel of distribution from industry and its very obvious we are going to utilize it as our first customers

Urbe Traders Company Limited will be equipped with a staff that is knowledgeable in any aspect that pertains to paper products and distribution such as preparing of quotes for companies, making purchases, customer communication skills, as well as product use. Another pro that Urbe will offer is transport service. Customers will be able to place order over the phone, or in the showroom, and have it delivered to them. These deliveries will range to cover most of Tanzania's customers without regarding their distance from production area.

With variety of products and customized products we will ensure customer engagement and hence we will secure our existing customers and have new once from reference for our services

6. Marketing and sales Strategies

a. Marketing plan

Distribution of paper products will start at Northern Tanzania and following with other parts of Tanzania. Urbe Traders Company Limited believes that people around Kahama have to benefit first and give their blessing to the industry. All of these will be done using number of strategies that will be deployed by our qualified staff.

During this period and the period following the initial opening, management and employees will spread awareness of our products to people using different tools such as use of flyers, media tours in radio and television especially locally broadcasting medias, on top of that having YouTube, Twitter, Facebook, Instagram, and Newspaper advertisements is another way where will insure awareness

b. Sales strategies

Urbe Traders Company Limited intends to sell our products to two types of markets, our primary market will be large organization business who will purchase our products in bulk they will act as agents to our manufacturing industry and they will be handled nicely by one of our departments. Our secondary market will be handled by our sales department and one officer will be assigned to handled smaller accounts such as individuals who wants to visit us or make order by our channels

7. Management Team

The most influential factor in business is a person's communication skills, which is the primary component Urbe Traders Company Limited brings to the table. will not have specific "key players" because the company has every intention of working in conjunction of one another. From the employees working the showroom will attend to the secondary market of individual consumers, whilst employees on the second level tend to the larger orders of company's/organizations. While dealing with the influx of business, Urbe traders company limited will have salesmen who will constantly try to gather new accounts through cold calling, and on foot, in order to further expand the business. As these operations continue daily, the owner will handle personal relations, and incoming quotes with some of big main accounts to help ensure company profitability and relationship longevity. This way the company utilizes every resource it has in order to not remain stagnant over time. That tells that our structure and recruitment will make sure we have talented people and integrated system to work efficiently to bring productivity and attain company goals

8. Manufacturing Plans

Our team consist of project manager who will assist most in planning production as it is crucial factor in keeping an eye on material requirement and management as well inventory control. This is coming up given complexity in operations and that is why we are going to use one or two of production methods but even combined sometimes the reason being that it will depend on demand, availability of inputs and the purpose to cut cost. We are going to employ either, batch production method, process production method, process production method, flow production process or even mass production method.

9. Project Implementation schedule

Urbe Traders Company Limited has mapped some tasks required to complete a factory each with specific deadline this involves even those which are already started to be implemented such as construction and installation of machine phase where already some machines have already been bought and installed

This is the cornerstone of our project plan because we will use it during execution to monitor and evaluate project's progress

The list of tasks is down in the table which help us reach our final deliverable. They are in series from the one should be first to then help the following. It has helped us also assign them to different people and there we can have evaluation but also help us to fasten the progress.

Month	1	2	3	4	5	6	7	8	9	10	11	12
Construction												
Installation												
Pilot												
Production												
Distribution												

10. Financing investment and financial projections

a. financial summary

Upon initial market penetration, Urbe Traders Company Limited expects to invest with initial capital of TZS 900,000,000 and expect to rise in terms of cash flow with time that is it will continue becoming more profitable corporation in the years to come. **All of the capital will be financed by Company's shareholders via shareholder contribution as per shares allotted to them.**

The capital is having help the acquisition of Land and building construction, plant and machinery, vehicles, furniture and other short and long term assets to help in production

b. First five years financial projections

The crucial part of any business is on financial issues and below is the projection for the five years. The following pages include multiyear projections for income, cash flow, and balance statement. These projections are for the paper manufacturing industry only. Historical financial information on Urbe Traders Company Limited as whole is available on request.

URBE TRADERS COMPANY LIMITED
PROJECTED STATEMENT OF COMPREHENSIVE INCOME FOR FIVE
YEARS FROM 2023 TO 2027
ALL FIGURES "000"

FOR YEAR	2023	2024	2025	2026	2027
Revenue	3,000,000	3,500,000	3,500,000	4,300,000	4,500,000
Direct Costs	1,320,000	1,358,000	1,500,000	1,634,000	1,746,000
Gross Margin	1,680,000	2,142,000	2,000,000	2,666,000	2,754,000
Gross Margin /SALES	56%	61%	57%	62%	61%
Operating Expenses					
Salary	240,000	240,000	300,000	341,000	450,000
Employee Related Exp	161,880	161,880	161,880	161,880	161,880
Individual Health Insurance	47,712	55,000	55,000	64,000	75,000
Electricity	6,000	6,500	7,000	6,600	6,800
Gas	6,000	6,000	6,000	6,000	6,000
Water	4,000	4,500	4,500	4,500	4,500
Office Supplies	15,000	25,555	31,000	31,000	30,000
Telephone	12,000	12,000	12,000	12,000	12,000
Workers Comp.	34,785	36,000	45,890	43,091	45,980
Insurance	17,040				
Total Operating Expenses	544,417	547,435	623,270	670,071	792,160
Operating Income	1,135,583	1,594,565	1,376,730	1,995,929	1,961,840
Interest Elements	14,000	14,000	14,000	14,000	14,000
Depreciation and Amortization	5,000	4,500	4,050	3,645	3,281
Income Taxes	340,675	478,370	413,019	598,779	588,552
Total Expenses	904,092	1,044,305	1,054,339	1,286,495	1,397,993
Net Profit	775,908	1,097,696	945,661	1,379,505	1,356,008
Net Profit /Sales	26%	31%	27%	32%	30%

URBE TRADERS COMPANY LIMITED
PROJECTED STATEMENT OF FINANCIAL POSITION FOR FIVE YEARS
FROM 2023 TO 2027

ALL FIGURES "000"

FOR YEAR	2023	2024	2025	2026	2027
Cash Accounts	96,000	107,000	107,500	112,300	124,500
Receivable	50,000	37,000	36,000	33,000	27,000
Inventory	230,000	210,000	278,500	21,007	198,000
Other Current Assets	-	-	-	-	-
Total Current Assets	376,000	354,000	422,000	166,307	349,500
Long-Term Assets	1,378,600	1,500,000	2,134,800	2,607,000	2,170,100
Accumulated Depreciation	137,860	150,000	213,480	260,700	217,010
Total Long-Term Assets	1,240,740	1,350,000	1,921,320	2,346,300	1,953,090
Total Assets	1,616,740	1,704,000	2,343,320	2,512,607	2,302,590
Accounts Payable	500,157	16,000	17,000	56,000	4,500
Income Taxes payable	340,675	478,370	413,019	598,779	588,552
Short-Term Debt	-	45,000	77,800	116,510	43,000
Total Current liabilities	840,832	539,370	507,819	771,289	636,052
Long-Term Debt	-	-	478,900	478,900	478,900
Total Liabilities	840,832	539,370	986,719	1,250,189	1,114,952
Retained Earnings	-	775,908	1,097,696	945,661	1,379,505
Dividends		708,973	686,756	1,062,748	1,547,875
Earnings	775,908	1,097,696	945,661	1,379,505	1,356,008
Total Owner's Equity	775,908	1,164,631	1,356,601	1,262,418	1,187,638

URBE TRADERS COMPANY LIMITED
PROJECTED STATEMENT OF CASH FLOW FOR FIVE YEARS FROM 2023
TO 2027

ALL FIGURES "000"

FOR YEAR	2023	2024	2025	2026	2027
Net Cash Flow from Operations					
Net Profit	775,908	1,097,696	945,661	1,379,505	1,356,008
Depreciation and Amortization	5,000	4,500	4,050	3,645	3,281
Change in acc receivable	(50,000)	(37,000)	(36,000)	(33,000)	(27,000)
Change in inventory	(20,000)	68,500	(257,493)	176,993	(198,000)
Change in acc payable	(484,157)	1,000	39,000	(51,500)	(4,500)
Change in Income tax payable	137,695	(65,351)	185,760	(10,227)	(588,552)
Change in Sales tax payable	-	-	-	-	-
Net Cash Flow from Operations	364,446	1,069,345	880,978	1,465,417	541,236
Investing & Financing					
Assets Purchased or sold	1,616,740	1,704,000	2,343,320	2,512,607	2,302,590
Investments received					
Change in Long- term debt	-	478,900	-	-	(478,900)
Change in Short-term debt	45,000	32,800	38,710	(73,510)	(43,000)
Dividends & distribution	-	708,973	686,756	1,062,748	1,547,875
Net Cash Flow from Investing & financing	1,661,740	1,966,873	3,068,786	3,501,845	4,286,365
Cash at Beginning of period	-	96,000	107,000	107,500	112,300
Net Change in Cash	96,000	11,000	500	4,800	12,200
Cash at End of period	96,000	107,000	107,500	112,300	124,500

11. Financial Ratios

From our projected financial projections, we have arrived to some of important financial ratios which most of them per explanation gives us confidence on the project that is definition of numbers is in our side they favor our production the ratios are available on the table below

FOR YEAR	2023	2024	2025	2026	2027
Current ratio	0.45	0.66	0.83	0.22	0.55
Quick ratio	0.17	0.27	0.28	0.19	0.24
Working capital	(464,832)	(185,370)	(85,819)	(604,982)	(286,552)
Debt to Equity ratio	1.08	0.46	0.73	0.99	0.94

12. Resume of Management

a. Managing director

Mr. Vedastus John Kalela has number of years of experience in manufacturing industry sector, He has this experience by working in different organizations both national and international ones. He has devoted his time and resources to invest manufacturing industry and in 2018 Urbe Traders Company Limited was found by two directors including Mr. Vedastus John Kalela.

He targeted to solve some rural areas challenges such as availability of formal employment but also availability of manufactured good in remote areas and that is why the company on its operation has managed to report profit for consecutive years of operations since its establishment.

Mr. Vedastus and company are now looking to establish new manufacturing industry to manufacture paper and paper products in Kahama a head quarter of Urbe Traders Company Limited

b. Factory manager.

Mr Kelvin Kalela has proved to be a successful manager since his introduction to Urbe Traders Company Limited and has managed to make sure operations are going on very smooth. He has skills to recruit talents and organize them to get the best outcome out of man power. He has managed to bring balance between inputs and output to raise profit for the industry.

Certified True Copy of the Original
Sign: Date:
MAGRITH JOSEPH MAGGEBU
Advocate, Notary
Public & Commissioner for Oaths