

MEGALODON TANZANIA COMPANY LIMITED

Business Plan

for

Processing and Packaging of fish (lobster and
crabs) Project

1.0 EXECUTIVE SUMMARY

MEGALODON TANZANIA COMPANY LIMITED is engaged in the processing and packaging of lobsters and crabs for the export market.

MEGALODON TANZANIA COMPANY LIMITED potential customers include the following among other once customers: tourist restaurants, supermarkets etc.

The original project vision is to provide reasonably priced products and quality, to international market demand and thus the ability to maintain prices affordable.

MEGALODON TANZANIA COMPANY LIMITED will strive to work towards achieving the vision.

- 1.2 The main objective of the company is to establish itself in foreign and local market.

2.0 COMPANY OVERVIEW

MEGALODON TANZANIA COMPANY LIMITED is a company incorporated in Tanzania with certificate of incorporation No. 167511694 dated 4th August 2023

MEGALODON TANZANIA COMPANY LIMITED is engaged in processing and packaging of lobsters and crabs for the export and domestic market..

2.1 COMPANY OWNERSHIP

MEGALODON TANZANIA COMPANY LIMITED is owned by two local investors

Shareholders	Nationality	Percentage of ownership
Ezekiah Daudy Zedekiah	Tanzania	500
Victoria Olimpa Kussaga	Tanzania	500

2.2 BUSINESS PURPOSE

MEGALODON TANZANIA COMPANY LIMITED is legally licensed by the Fisheries Department. We have also been able to secure all necessary permits and documents from all concerned departments across all levels.

At MEGALODON TANZANIA COMPANY LIMITED we are involved in the processing and packaging of clams, oysters, crustaceans, mollusks, and shrimp),

We are in the seafood business because we want to take advantage of the numerous opportunities in the agricultural sector, to help Tanzania's economy improve by increasing domestic food production, exporting agricultural products from Tanzania to other nations, and above all else, making profit.

We are committed to sustainability as a company and we actively contribute to the development of our host community. We are equally committed to meeting our customers' needs precisely and completely. As such, we hold ourselves accountable to the highest standards.

MEGALODON TANZANIA COMPANY LIMITED has been able to acquire the greatest employees and equipment to

run. As such, we are strategically positioned to become one of the top Processing and Packaging of lobster and Crabs Company in Tanzania. As needed by Fisheries' regulatory organizations, we have implemented procedures and strategies that will enable us to use best practices for seafood processing and packaging.

2-3 VISION

The vision of the company also extended to other species in near future.

MEGALODON TANZANIA COMPANY LIMITED is a sole executive managed business with support from the lower management personnel like technicians, accountant and drivers.

MEGALODON TANZANIA COMPANY LIMITED is experienced and skilled in managing fish sea food processing and packaging in Tanzania, with a professional background of fisheries.

2.3 COMPANY MISSION

To serve customers with the highest quality products and produced precisely to their requirements.

3.0 BUSINESS MODEL

MEGALODON TANZANIA COMPANY LIMITED generates its revenue from sea food processing and packaging for export market and **MEGALODON TANZANIA COMPANY LIMITED** would like to strengthen

the same opportunity to move us forward. Like in any other company, **MEGALODON TANZANIA COMPANY LIMITED** has a revenue generation ratio of 60 % and others 40 %. as the target market segment being serviced is SMEs which are more price sensitive. It is envisaged that with the introduction of new capital, margins will improve to 50% and above, as the company will be able to serve big companies as well who are quality conscious and have sustained brand building initiatives, rather than the price sensitive SMEs category.

MEGALODON TANZANIA COMPANY LIMITED is looking to streamline its profitability to take it to the next level by inducing new technology to cut down operating cost.

MEGALODON TANZANIA COMPANY LIMITED has looked forward to work with their client to maintain relationships by offering value added services like advising them on the marketing strategy, in addition to creating new revenue generation

4.0 LOCATION.

The project production premises will be located at **House No. 17 Block F, Kigamboni, Dar es Salaam Region**

5.0 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with diverse professional and business backgrounds, the company is owned by two local investors

6.0 PRODUC AND/OR SERVICES

MEGALODON TANZANIA COMPANY LIMITED will concentrate on Seafood Processing and packaging

6.1 CAPACITY GENERATION

MEGALODON TANZANIA COMPANY LIMITED is planning to produce 4000 kg per year and we will have a futuristic plan to increase the number every year once we establish in the business and achieve our targets.

6.2 COMPETITIVE PROFILE

We have competitors at different levels and products, MEGALODON **TANZANIA COMPANY LIMITED** is focused to quality and service every need of their clientele.

6.3 OUR TARGET MARKET

Those who benefit from the commercial value chain of the seafood farming industry and the individual customers of seafood are undoubtedly widespread and all-inclusive.

Due to this, we have set up our seafood processing and packaging business to cater to the following client base:

- Supermarkets and Grocery Stores

- Hotels
- Restaurants
- Outdoor caterers
- Households

7.0 KEY SUCCESS FACTORS

A quality, value, prompts delivery, flexibility and relationship.

7.1 BARRIERS TO ENTRY INTO THE INDUSTRY

A typical barrier is the acquisition of fisheries license, skilled workers, power reliability, and raw, technical knowhow.

7.2 UNIQUE CAPABILITIES/CREATING COMPETITIVE ADVANTAGE

MEGALODON TANZANIA COMPANY LIMITED is engaged in sea food processing and packaging as its core business, at present we are known for our quality products and prompt delivery.

7.3 MARKETING STRATEGIES

As a marketing strategy **POPLAR LEAVES COMPANY LIMITED** would target the corporate market as well as households. Looking for unique ideas/strategies to help me get my foot in the door, Building up rapport and relationship with those clientele for lifelong will fetch more business.

7.4 ADVERTISING, PROMOTIONS, PUBLIC RELATIONS

MEGALODON TANZANIA COMPANY LIMITED will advertise mainly through social media, online, print and billboards, this will lead to high conversion ratio of turning a prospective into a client and a client into a lifelong relationship.

7.5 SALES ORGANISATION

We will require a marketing and sales manager and **8** employees to be employed

8.0 PRICING STRATEGY

Pricing will be done on the competitiveness of the market and cost of the production and required an average price is US\$ 25 per kg

8.1 SERVICE AND SUPPORT

Superior customer service builds loyalty and repeat business, and therefore ongoing revenue for your company. As our company is established we will have online ensure support and services.

8.2 STRATEGIC ALLIANCES UNDERTAKEN OR PROPOSED

As the company grows we will have alliances with potential customers, and supporting institutions

8.3 MANAGEMENT TEAM

We will have a qualified and experienced team of management under the much experienced CEO and Founders

8.4 PERSONNEL TO BE ADDED IN ORDER TO BUILD A SUCCESSFUL TEAM

New personnel will be added as the company grows and in line with company strategy.

8.5 OPERATIONS AND FACILITIES

MEGALODON TANZANIA COMPANY LIMITED will have processing facility at Kigamboni to cut down the cost and will have an office in City centre for the wider reach to its clientele.

8.6 LICENSING AND REGULATORY ISSUES

MEGALODON TANZANIA COMPANY LIMITED will have all the licenses required by the respective regulatory boards to carry on the business namely Certificate of incorporation TIN, VRN, OSHA, fire and safety, business license.

8.7 OUR COMPETITIVE ADVANTAGE FOR PROCESSING AND PACKAGING BUSINESS

The seafood Processing and Packaging industry is fiercely competitive and MEGALODON TANZANIA COMPANY

LIMITED is fully aware of the competition that is available when it comes to selling seafood/shellfish all over the globe. We are prepared to compete favourably with other seafood processing companies in Tanzania and beyond.

8.7.1 **COMPETITIVE ADVANTAGES**

- Our location
- Our distribution networks
- The vast experience of our team
- Our excellent customer service culture
- Proper care and development opportunities for our employee
- Our leverage of the internet by using our websites and social media platforms

9.0 SWOT Analysis

Knowing fully well that with a proper SWOT analysis we will be able to position our business to maximize our strengths, leverage on the opportunities that will be available to us, mitigate our weaknesses, and be well-equipped to confront our threats. We therefore, employed the service of a Business Analyst with a background in the seafood farming industry to help us conduct a thorough SWOT analysis and we came up with the following results

Strength:

We can rightfully say to have some of the most skilled workers in Tanzania's aquaculture industry as well as the top processing tools.

Our training and coaching services in addition to our goods equally bring us closer to our prospective customers.

One of our strengths as a seafood business is that we have solid connections with a lot of key actors, including domestic and international suppliers and purchasers.

Weakness:

As a start-up, one major weakness is the fact that we are a new company and we don't have the market credibility yet, especially from international markets which are highly competitive already as other big players in the industry.

As a result of limited funds, we presently operate in just one location which will seriously limit our vision of supplying to our target markets all locally and internationally.

Opportunities:

The fact that we are going to be operating our Processing and Packaging company Kigamboni because our location

provides us with unlimited opportunities to sell to a large number of people.

Fish and other seafood is one of the most demanded Tanzania diets today because a large number of people are trying to avoid meat for other sources of protein.

Threat:

One of the major threat is the arrival of a new Fish Processing and Packaging company in the same location where ours is located in the nearest future

Another threat that we are likely going to face is the economic downturn which has affected the purchasing power of the potential customers

9.0 PROJECT'S INVESTMENT CAPITAL INVESTMENT

The estimated capital investment cost of the project is US\$50,000

MEGALODON TANZANIA COMPANY LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	5,000.00
Vehicles	8,000.00
Plant and Machinery	15,000.00
Furniture & Fittings	2,000.00
Pre exp	5,000.00
Working Capital	15,000.00
TOTAL	50,000.00

9.1 Project Financing Plan

The shareholders of this company will finance the project using 40% equity and 60% loans as shown below.

Source/Type of financing	Local US\$	Foreign US\$
Equity	25,000	NIL
Loan	NIL	25,000

10.0 FINANCIAL ANALYSIS

10.1 Considerations and Assumptions:

Taxation and Depreciation

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight line method to depreciate the project's capital items has been applied.

10.2 Production and Revenue Assumptions

It is assumed that the major raw material will be procured locally. Revenues have been conservatively estimated

based on the the experience of the promoters and trends in the fisheries industry

10.4 Project Profit and Loss Account

For projection purposes, it is assumed that the economic life of the project is five years, and that production of the different types of products commence from the first year of operation, project profit grow from **US\$ 25,725** in the first year to **US\$ 146,143** in fifth year of operation

MEGALODON TANZANIA COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5
Revenue	100,000	105,000	110,250	115,763	121,551
Operating Expenses:	60,000	63,000	66,150	69,458	72,930
Profit before Depreciation &Interest	40,000	42,000	44,100	46,305	48,620
Interest	2,000	1,600	1,200	800	400
Depreciation	1,250	1,250	1,250	1,250	1,250
Gross Profit	36,750	39,150	41,650	44,255	46,970
Tax (30%)	11,025	11,745	12,495	13,277	14,091
Profit After Tax	25,725	27,405	29,155	30,979	32,879
Accumulated Profit	25,725	53,130	82,285	113,264	146,143

10.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year 1 of operation to the 5th year.

MEGALODON TANZANIA COMPANY LIMITED PROJECTED CASH FLOW US\$

	-	1	2	3	4	5
SOURCES:						
Profit before interest and depreciation	-	40,000	42,000	44,100	46,305	48,620
Equity	25,000					
Loan	25,000					
Total Sources	50,000	40,000	42,000	44,100	46,305	48,620
Applications:						
Capital expenditure	30,000	-	-	-	-	-
working Capital & Others	20,000					
Cash	-	28,975	30,255	31,605	33,029	34,529
Tax	-	11,025	11,745	12,495	13,277	14,091
Sub total	50,000	40,000	42,000	44,100	46,305	48,620
Total applications	50,000	40,000	42,000	44,100	46,305	48,620
Accumulated cash		28,975	59,230	90,835	123,864	158,393

10.6 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Equity of the project increases from **US\$25,000** in the first year of operation to **US\$ 176,143** in the 5th year

MEGALODON TANZANIA COMPANY LIMITED PROJECTED BALANCE SHEET US \$

Fixed Assets	-					
Opening balance	-	30,000	28,750	27,500	26,250	25,000
Additions	-					
Total Long-term Assets	-	30,000	28,750	27,500	26,250	25,000
Less depreciation	-	1,250	1,250	1,250	1,250	1,250
Closing balance	-	28,750	27,500	26,250	25,000	23,750
Working capital	20,000	20,000	20,000	20,000	20,000	809,000
Accumulated cash	-	1,218,960	2,478,420	3,781,005	5,129,472	6,526,713
Total assets	20,000	1,267,710	2,525,920	3,827,255	5,174,472	7,359,463
Financed by						
Equity	25,000	25,000	25,000	25,000	25,000	25,000
Accumulated profit	-	25,725	53,130	82,285	113,264	146,143
Total equity	25,000	50,725	78,130	107,285	138,264	171,143
Long term loan	-	25,000	20,000	15,000	10,000	5,000
Bank overdraft	-	-	-	-	-	-
Total debts	-	25,000	20,000	15,000	10,000	5,000
Total equity and debts	25,000	75,725	98,130	122,285	148,264	176,143

10.6 Projected payback period

Total investment is US\$**50,000** cash accumulation in year 2 is US\$55,630 which is more than the initial investment by US\$ US\$ 5,630 the project payback Period is almost 2year, The project has a relatively short payback period. It is remarkably impressing for a manufacturing project being recovered in 2 year,

MEGALODON TANZANIA COMPANY LIMITED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	25,725	1,250	26,975	26,975
2	27,405	1,250	28,655	55,630
3	29,155	1,250	30,405	86,035
4	30,979	1,250	32,229	118,264
5	32,879	1,250	34,129	152,393

11.0 ECONOMIC ASPECTS

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

- The project will involve transfer of technology in fish sea food processing and packaging.
- The project will create employment for **8** people on permanent contract basis as well as on temporary basis.

- It will create more business opportunities to local suppliers , which will also have a trickledown effect in the sub sector.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and royalties.
- The project will earn substantial amounts of foreign exchange.

12.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction will take approximately 6 months:-

	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	November 2023
2	Funds Mobilization	October-December 2023
3	Rehabilitation of industrial building	December-February 2024
4	Ordering of plant and machineries and Vehicles	March 2024
5	Arrival of Plant, Machinery and Vehicles	May 2024
6	Commercial Operations	June 2024

13.0 CONCLUSION AND RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.