

# POA ENERGIES LIMITED

Gas Station

# BUSINESS PROFILE 2022

P.O.BOX 3259  
DAR ES SALAAM  
TANZANIA

# Executive Summary

## ✓ Objectives

## ✓ Keys to Success

## ✓ Mission

### Objectives

- To capture an increasing share of the commuter traffic passing through **Chitete, Songwe**.
- To offer our customers superior products, at an affordable price
- To deliver excellent services that suits the needs and demands of the customers with the goal in mind of becoming the number one most preferred gas station in the business.
- To be increase the cash flow of the company
- Respond to the needs of the customers are seeking for kind of services we offering. i.e.) the 24 hours' gas services.
- To be a well-organized organization with high standards of assurance, responsive to members.

### Keys to Success

- Good quality products at competitive prices.
- Excellent customer service that will promote customer loyalty.
- A location that will assure that commuters will pass.

### Mission

The mission is to offer commuters on **Chitete Sogwe** competitive gas prices and great food.

### Financial Objectives

- To make the gas station financially self-sustainable with customer fee income and contract subsidies, and able to invest in the future, through excellent work and innovation.
- To improve our customer's numbers and income by at least 3% per year with more modern services establishment.
- To achieve a revenue surplus of at least 3% of income on stores activities
- We recognize the importance of supporting the local community. This is manifested in our support of local growers and producers, as well as local charitable and community organizations.

# Products & Services

Gas station's products and services are classified under the following categories:

- Gasoline
- Diesel
- Lubricants
- Engine and Transmission Oils
- Coolant
- Brake & Engine Fluids
- Liquefied Petroleum Gas
- Snacks and Beverages
- Automotive services:
  - repairs,
  - car washes and general.
- Wheel related services:
  - Providing wheel alignment,
  - wheel balance and vulcanizing services
- ATM Services
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# Market Analysis

- **Industry Analysis**

- The Gas Stations industry has experienced growth over the past five years to 2020. Since the majority of the industry's business is generated from consumers rather than commercial businesses, consumer spending plays a major role in determining industry performance. Consumer spending has increased over the five years, boosting spending.
- Driving rates are expected to increase and as people drive more, they will require more fuel for their cars. Coupled with low oil prices, this trend has also encouraged consumers to trade up to premium grades of vehicle fuel, facilitating industry profit growth.
- Moreover, the decline in the world price of crude oil has enabled operators to lower purchase costs without passing on all of the savings to consumers, boosting profit. With business owners relying more on convenience store sales, as in-store products are more profitable than gasoline, the average industry profit margin has reached historically high levels over the past five years.

- **Customer Analysis**

- Demographic Profile of Target Market
- Gas station will primarily serve people residing in Mwanza and the immediately surrounding areas in a 10-mile radius. We will also serve tourists traveling through by vehicle. The area we serve is populated mostly by families that lead busy lifestyles; as a result, they have their own cars and the need to fuel and maintain it.

- **Customer Segmentation**

The Company will primarily target the following three customer segments:

- Residents: The area in which the Company will operate has a significant population of car owners.
- Local businesses: There are many local businesses with a number of employees that drive to work.
- Tourists: Road trippers need fill up their gas tanks while driving through town.

- **Competitive Analysis**

## **Direct & Indirect Competitors**

The following businesses are located within a 5-mile radius of Puma gas station. thus providing either direct or indirect competition for customers:

### **Camel oil**

Camel oil is a family-owned gas station and convenience store with a food court, play area, shower station, and gift shop. The plaza houses a fudge shop, a coffee shop, and a convenience store which offers fresh grab-and-go foods such as doughnuts, produce, and rotisserie chicken, as well as frozen meats.

### **Lake oil**

Lake oil owns and operates about a half a dozen gas stations throughout the state.

In addition to gas, each location offers deli-prepared foods, jerky, nuts, and tobacco products. It also sells tobacco products, automotive goods, and other nonfood items, such as ammunition and photo supplies. In recent years, the company has developed mobile-based applications and location finders to cater to its mobile customer base.

- **Competitive Advantage**

Gas station enjoys several advantages over its competitors. These advantages include:

- Client-oriented service: gas station will have a full-time manager, on site to help customers with their needs.
- Management: Mahfudhi has been extremely successful working in the gas station business and will be able to use his previous experience to assure clients of the care that PUMA will take to do the job right.
- Relationships: Having lived in the community for 25 years, Mahfudhi knows many of the local leaders, newspapers and other influencers.

- **Market Trends**

There is hardly anyone who doesn't have a need for gas, this why it is really vital that one key into this industry. One of the trend is the gas station industry is that, in the bid to stay afloat in the highly competitive gas station industry, owner of gas stations now goes the extra miles to ensure that the make their facility welcoming and conducive for customers.

# Market Plan, Strategy & Implementations

## **Marketing Plan**

The Company brand will focus on the Company's unique value proposition:

- Client-focused gas and auto services, where the Company's interests are aligned with the customer
- Service built on long-term relationships and personal attention
- Premium products and services at affordable prices

## **Promotions Strategy**

### **Billboards**

will secure a billboard in the area that captures the attention of residents and local businesses. The billboard will draw attention to the new business and its service offering.

### **Referrals**

We understand that the best promotion comes from satisfied customers. The Company will encourage its clients to refer other businesses by providing economic or financial incentives for every new client produced. This strategy will increase in effectiveness after the business has already been established.

### **Local Publications**

will announce its opening several weeks in advance through publicity pieces in multiple local newspapers and publications. Regular advertisements will run to maintain exposure to relevant markets. Community newspapers, school publications, youth sports programs, and similar channels will be a major promotion effort.

### **Community Events/Organizations**

will promote itself by distributing marketing materials and participating in local community events, such as school fairs, local festivals, homeowner associations, or sporting events.

### **Commute Advertising**

We will drive attention toward gas station by hiring workers to hold signs alongside [route or highway]. Advertising on heavily traveled commute routes are an opportunity to alert large numbers of working individuals with disposable income of our opening.

### **Customer Loyalty Programs**

Company will create a winning customer loyalty program to keep its best clients coming back again and again. Long-term customers will have the opportunity to participate in the loyalty program, and referrals will be rewarded as well.

### Pricing Strategy

Company will keep its gas prices competitive with other stations in a thirty-mile radius of the station in order to attract commuters. Discount and coupons will be given to loyal customers and customers who will buy more to encourage purchases.

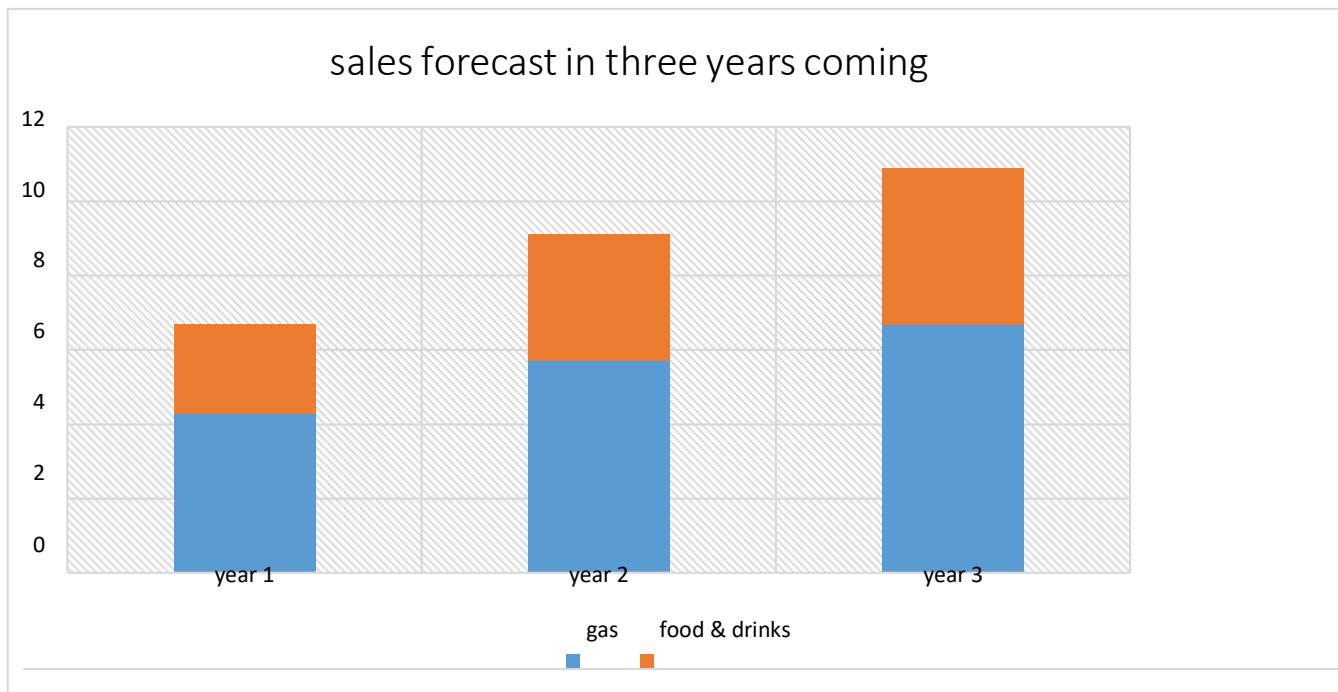
### Sales Strategy

Gas Station will keep its gas prices competitive with other stations in a fifty-mile radius of the station in order to attract commuters. Customers that purchase more than \$10 worth of gas will be given a 15% coupon on purchases in the store during the first month of operation to encourage purchases and to introduce them to the concept of buying quality organic foods.

### Sales Forecast

In order to maintain competitive gas prices, the cost of gas to the consumer will never exceed 15% of wholesale cost. Gas Station will focus on increasing food sales in order to meet total sales forecast goals.

The following is the sales forecast for three years.



Financial Year	Gasoline	Food, Drinks, and Produce
Year1	260,000,000	20,000,000
Year2	370,000,000	28,000,000
Year3	520,000,000	34,000,000

# SWOAT Analysis

## SWOT ANALYSIS

In business a SWOT analysis is the process of seeking the match between market opportunities and a company's resources. According to Burns (2001), the secret of success is to deeply understand the competencies of the company, and to combine all the resources to meet the market opportunities and threats.

SWOT analysis also helps entrepreneurs in undertaking the customer analysis and deciding on market segmentation. (Burns 2001, 182).

A company is looks forward to maximizing its strength and opportunities and also to work around its weaknesses and threats. Here is a summary from the result of the SWOT analysis: -

### STRENGTH

- ✓ Comprehensive portfolios of services
- ✓ Strong management
- ✓ Clear vision of the gas sector
- ✓ Excellent services flexibility
- ✓ Premium quality of services
- ✓ Well established brand

### WEAKNESSESS

- ✓ Dependence on economic conditions
- ✓ Lack of enough capital

### OPPORTUNITIES

- ✓ An opportunity to increase profit margin
- ✓ Ready available market
- ✓ Requirements for society

### THREATS

- ✓ Change in regulations & polices
- ✓ High labor cost

# Operations Plan & Economic Aspects

## Functional Roles

Gas station will be open 24/7 so there is an assurance that the clients will be served whenever they arrive at the station.

A company intends to employ [4] pump attendants during peak hours and [1] manager.

In order to execute on business model, the Company needs to perform several functions. Company anticipates using the services of 6 employees, divided into the following roles.

### Service Functions

- Gas pump assistance
- Maintenance personnel
- Customer service/cash register functions

### Administrative Functions

- General & administrative functions including marketing, bookkeeping, etc.

## Contribution to the government revenue

A company has to pay taxes and duties to fully operate its business. By doing so they contribute a share in government revenue which in return is used for the development of the country and its people.

## Employment Opportunity:

There will be direct and indirect employment opportunities from GAS STATION.

## Credit Facility Requirement

Currently they are looking for a credit facility of **750 million Tanzanian Shillings** to be used for: -

- Meeting its working capital needs which include daily operational expenses, inventory, payments on short-term debt and since the company plans to develop and expand their business which requires them to meet some standards hence the stated facility will help them accomplish that.
- Since Business are expanding, the amount requested will be used to pay off the supplier and importation of products this is due to the profit margin.
- The requested loan facility is for a period of 36 months to cover the above-mentioned areas. The company is certain its revenue will increase if granted such funds to boost its operations.

## Security Proposed:

A company will provide the security for the facility requested which the security will be as per Bank Valuation report.

## Option (A) Proposed Security

Proposed security  
One house with the Title Deed No

## Key Assumption:

- Profitability due ready assured market demands.
- Maintain the level of services offers to its customers.
- Bank advantage: New account will increase the Bank revenue on fees and commission also in terms of Assets and Liability. The attached Bank statements can provide the insight of customer potential

# Financial Plan

## Important Assumptions

The financial projections of the company are forecast on the basis of the following assumptions. These assumptions are quite conservative are expected to show deviation but to limited level such as that company major financial strategy will not be affected.

## Projected Cash Flow

SOURCES AND USES OF FUNDS						
SN	DESCRIPTION	OWNER CONTRIBUTION	LOAN	TOTAL	EXCHANGE RATE	TOTAL IN USD
01	LAND & BUILDINGS	50,000,000.00	200,000,000.00	250,000,000.00	2,329.78	107,306.27
02	LICENSE, FEES, PERMITS	12,000,000.00	-	12,000,000.00	2,329.78	5,150.70
03	CONSTRUCTION & IMPROVEMENTS	45,000,000.00	-	45,000,000.00	2,329.78	19,315.13
04	EQUIPMENTS	-	167,000,000.00	167,000,000.00	2,329.78	71,680.59
05	FURNITURES, FIXTURES & FITTINGS	37,500,000.00	-	37,500,000.00	2,329.78	16,095.94
06	WORKING CAPITAL & OPERATING SUPPLIES	-	81,000,000.00	81,000,000.00	2,329.78	34,767.23
<b>TOTAL</b>		<b>144,500,000.00</b>	<b>448,000,000.00</b>	<b>592,500,000.00</b>	<b>2,329.78</b>	<b>254,315.86</b>

# Financial Plan

# Financial Plan

## INCOME STATEMENT PROJECTION

### POA ENERGIES

#### DAR ES SALAAM, TANZANIA

#### PROJECTED INCOME STATEMENT (FIRST 12 MONTH)

	YEAR 1	YEAR 2	YEAR 3
<b>SALES</b>			
DIRECT SALES	3,600,000,000.00	4,320,000,000.00	5,040,000,000.00
<b>LESS: COST OF GOODS SOLD (COGS)</b>	1,440,000,000.00	1,728,000,000.00	2,016,000,000.00
<b>GROSS PROFIT</b>	<b>2,160,000,000.00</b>	<b>2,160,000,000.00</b>	<b>7,056,000,000.00</b>
<b>OTHER REVENUE SOURCES</b>			
RENTAL OF MINI SUPER MARKET SPACE	6,000,000.00	6,000,000.00	6,000,000.00
THREE (3) ATM HUBS SPACE	18,000,000.00	18,000,000.00	18,000,000.00
CAR WASH SPACE RENTAL	3,600,000.00	3,600,000.00	3,600,000.00
SERVICE BAY	3,600,000.00	3,600,000.00	3,600,000.00
COFFEE BAR	3,600,000.00	3,600,000.00	3,600,000.00
SMALL SHOPS (3)	18,000,000.00	18,000,000.00	18,000,000.00
<b>TOTAL - OTHER SOURCES</b>	52,800,000.00	52,800,000.00	52,800,000.00
<b>TOTAL REVENUE</b>	<b>2,212,800,000.00</b>	<b>4,372,800,000.00</b>	<b>5,092,800,000.00</b>
<b>OPERATING EXPENSES</b>			
SECURITY GUARD	8,280,000.00	9,108,000.00	10,474,200.00
ELECTRICITY BILL	4,200,000.00	4,620,000.00	5,313,000.00
WATER & SANITATION BILL	1,200,000.00	1,320,000.00	1,518,000.00
CITY LEVY	18,000,000.00	19,800,000.00	22,770,000.00
PAYROLL	12,000,000.00	13,200,000.00	15,180,000.00
INSURANCE	2,000,000.00	2,200,000.00	2,530,000.00
MAINTENACE COSTS	5,000,000.00	5,500,000.00	6,325,000.00
MISC EXPENSES	2,000,000.00	2,200,000.00	2,530,000.00
DEPRECIATION EXPENSES			
<b>TOTAL OPERATING EXPENSES</b>	<b>52,680,000.00</b>	<b>57,948,000.00</b>	<b>66,640,200.00</b>
<b>PROFIT BEFORE INTEREST &amp; TAX</b>	2,160,120,000.00	4,314,852,000.00	5,026,159,800.00
INTEREST CHARGES	56,000,000.00	56,000,000.00	56,000,000.00
<b>PROFIT BEFORE TAX</b>	2,104,120,000.00	4,258,852,000.00	4,970,159,800.00
COPRATE TAX	631,236,000.00	1,277,655,600.00	1,491,047,940.00
<b>NET PROFIT (AFTER INTEREST &amp; TAX)</b>	<b>1,472,884,000.00</b>	<b>2,981,196,400.00</b>	<b>3,479,111,860.00</b>