

Bussiness Plan

BRIEF DETAILS FOR THE PROPOSED CONSTRUCTION OF A MODERN WAREHOUSE PROJECT

AT VIJIBWENI AREA , KIGAMBONI DISTRICT

THE APPLICANT:

**M/S ZTM
LIMITED**

P,O,Box 16165,
Dar es salaam,Tanzania

JANUARY 2023

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1.0 BRIEF INTRODUCTION :

APPLICANT PROFILE

Name of company : ZTM Limited always abbreviated as ZTM.

Address : P.O Box 16165, Dar es salaam

Registered Office: The main office location is in Plot no 5, Block 35
Msimbazi Street

Physical location: The newly established project is located at Vijibweni ward in Kigamboni District, Dar es salaam region.

Contact person : Mr Mohamed Zowange, the CEO and in his absence the Deputy Director can be contacted through the above office address.

Legal status: ZTM limited is private company with a limited liability that was officially incorporated in the United Republic of Tanzania in the year 2019 and had been consistently operational since then at an appropriate line of business.

Bank relationship:

- NMB Bank Limited ,CRDB Bank, Diamond Trust Bank

Status of Investment break downs: (TOTAL is TZS 5,000,000,000/-)

- Land/building /plant is 55% -Tzs 2,750,000,000/-
- Motor vehicles is 6% -Tzs-300,000,000/-
- Furniture and Fittings 5%- TZS 250,000,000/-
- Working capital finance 30%-Tzs 1,500,000,000/-
- Other unspecified finance 4%-Tzs 200,000,000/-

(Details of the analysis is recorded in page 5 of the registration form for certificate of incentives)

Source of the project finance:

- Entity's own working capital ,TZS 1.950,000,000/-
- Actual external financing: Tzs 3,050,000.000/-

below:

SN	Shareholders	Paid Up Shares	Strength Of position in %	Paid up shares in TZS
1	Mohamed H. Zowange P.O.Box 16165 Dar es salaam	6,540	50.00	981,000,000
2	Mussa H. Zowange P.O.box 16165 Dar es salaam	6,540	50.00	981,000,000
	TOTAL PAID UP	12,900	100.00	1,962,000,000

1.4: The Organization and Management

The company has a workable organization structure to facilitate the fast service delivery to customers. The organization structure is reviewed from time to time to suit the present business needs and as well safeguard the interests of the company.

The internal organization structure in this company comprise of a reciprocating setup that easily define the positions, hierarchy within the board of directors and similarly to the management.

1.4.1 The Board of Directors

The setup is the top decision and policy making organ of the company entrusted with translating and implementing both short and long objectives. The organ functions and limits in their operations are defined in the directives contained in the memorandum and articles of association of the company. Major positions being held in the present setup of the board is the Chairman,

Secretary and members.

One of the functions of the board is to appoint and confirm the management hence determines the wellbeing of the company easily. It also formulates company operations manual that guides the management and their functional roles.

1.4.2 The Management

The management is a team of officers who undertakes supervisory works on daily basis during company operations as directed by the board of directors to ensure smooth operations harmony and prosperity practically.

The management is a coerced organ to coordinate the day to day operations. in the company team that comprises of various skills and experience necessary to ensure the management awareness to their functional roles are efficiently achieved.

The primary positions of the management include but not limited to the following positions.

- **The Chairman**

The chairman who chairs all the management meetings and guides the same. The position is the highest in the company hierarchy thus guides considerably. The present officer to the position is an experienced entrepreneur with special skills in international trade and commerce.

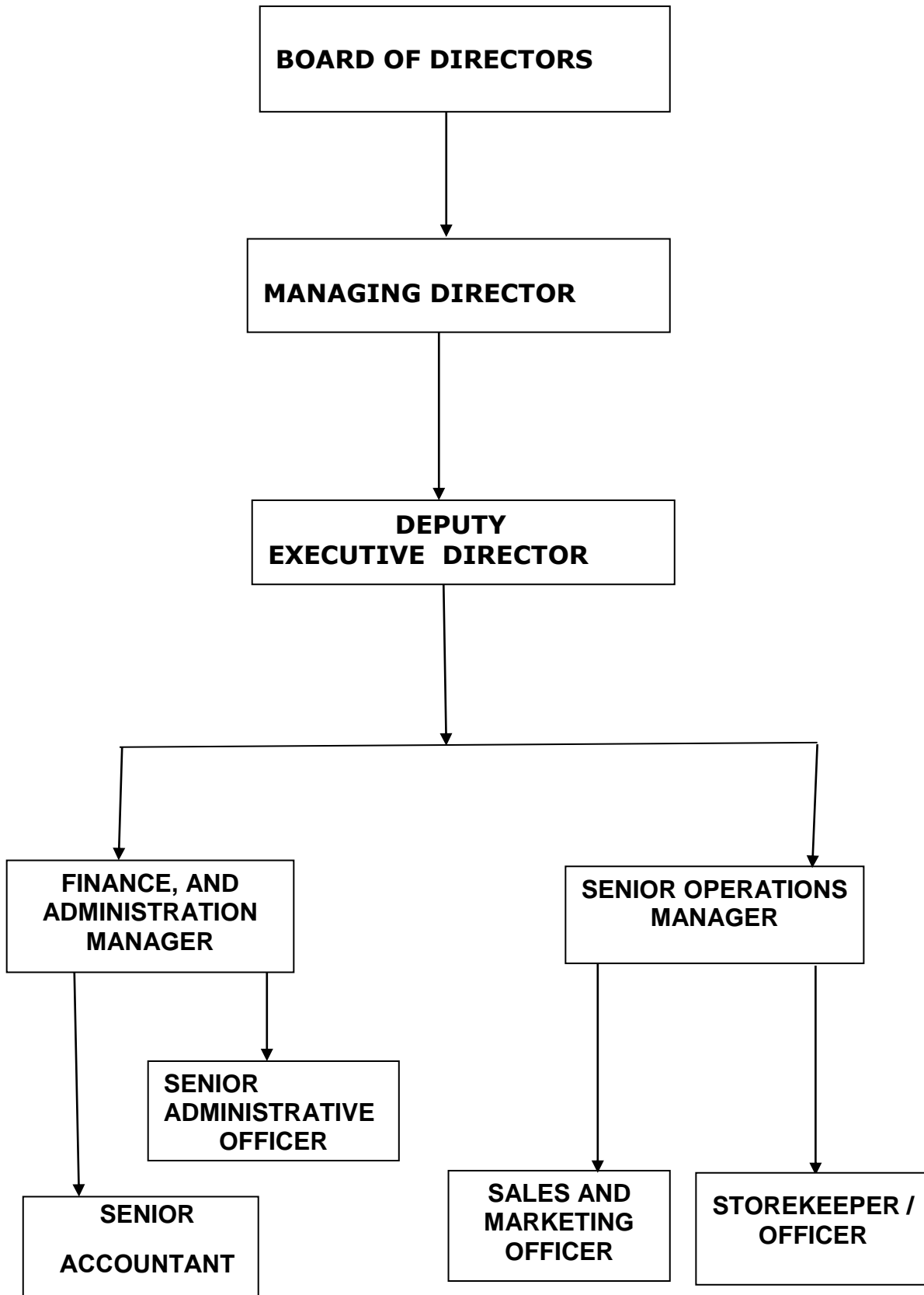
- **The Executive Director (ED)**

Is a head of management team and also is an experience businessman with proved ability in administration, management and finance.

The day to day duties under the office includes overseeing of operations of the company, recruiting and objectively translating the long term roles of the company to the subordinates.

The operations are carried smoothly and effectively according to detailed

account for each existing department as summarized details shown in the organization view drawn below:



2.0.THE PROJECT

• INTRODUCTION

We hereby kindly wish to forward our new expanded warehouse project aimed at enhancement of our business operations in Tanzania as from early year 2023.

Our company major aim is to construct a high profile warehouse that will enable us to increase our business into high profile view with ability to increase our financial marketing capacity from current view to approximately 20 times ability within the next five years onwards.

Our acquired land is a special high class area and unlimited viewing located in Vijibweni ward at Kigamboni District. The project location is spacious and already registered at the Kigamboni Municipal with reference number P 1752,P 175224, with total land surface area of 21,509.7 square meters.

Owing to the fact that our entity is already familiarized in the marketing chain, the board of directors had bought the land and the initial construction is going on from ground stages include specific measurements, initial installation of the planned view.

The major aim herewith is to seek assistance from modern international land developers from China Republic to be engaged in a special high class building construction contract that will facilitate the time and quality of the project.

This objective in the construction process need minimum duration that will enable the aim to benefit at initially minimized time limit. In the case therefore, the process will enable the market proposal for high level and enhancement of our company trading operations to commence.

In the process therefore, it is estimated that the project will require total sum of Tanzania shillings five billion to finalize the entire construction bill of quantity and all the construction materials estimated to be used until finalized.

The company had already made the skeleton fabrication building structure at very high class of implementation ready to finalize the importation process.

ZTM is ready to finance the imported steel fabrications of the building ready for true installation, the fabrications are imported from China based experts who are well aware of the perfect aim made by the board.

In order to win the market standards, the management through experience had engaged specific construction engineers who acted upon to facilitate the process of initial construction.

- **THE PROJECT DESIGN**

The experts were primarily asked to enable the full construction to occur within reasonable time possible but through use of latest technology of the in the project industry.

ZTM was therefore instructed to accept a well-designed sampled building in form of steel fabrication which they planned also to use the highest quantity survey at which the full construction was scheduled in terms of type of materials needed at high standards.

The space allocated to hold to the actual format of the site but at a true measurement to be represented in the paper works and approved technical wise by the experts. At this stage financial experts give true estimates of which the construction phase will be implemented.

The construction phase arising from the above details is at this stage considered closely estimated to cover about 39.5 % of the total costs of the entire building state of fabrication and actual local standards.

This cost includes all materials and entire labour costs under consideration.

The material costs whose values are all known include the following analysis:-iron pipes, machineries and equipment's, ladders, metallic fabrications and general steel materials.

At this stage of compilation the final construction process is now ready for importation from the republic of China and if successful will be delivered soon therefore ready for installation at Vijibweni's company project real site.

- **OTHER CONSTRUCTION MATERIALS**

Besides the scope of imported construction materials, the company had also already surveyed the entire construction site and ready to order other local building materials.

The materials under the consideration include the following listed herein analysed as aggregates, masonry units, cement, paints, sand, timber ,roofing materials etc. These are estimated to be sourced locally via several certified suppliers.

- **THE CONSTRUCTION PHASE ANALYSIS**

The project construction action and levels in the phases include the following stages:

- ❖ Site acquisition - DONE
- ❖ Site clearance - DONE
- ❖ The Foundation excavation - IN PROCESS
- ❖ Materials transportation and) - IN TRANSIT PARTLY
storage)
- ❖ Actual construction works) - IN PROCESS
- ❖ Installation of power, water) - YET
foul water)
- ❖ Communication system - PARTIALLY
- ❖ Decoration - YET
- ❖ Land scrape and related measures-YET

The project standards are very promising and the very high valuable costs of the installation will be facilitated using external financing that has been accurately calculated and for the total sum required the owners will cover the 39.5% of the total cost and the rest will be met by the external financiers.

Generally there is positive liquidity enabled by the director's sources in the reinvesting their dual entitlements through accrued profits. The authorised

share capital has been greatly improved too much to enhance the current main business focus. In view of the enclosed cash flow projection statement herewith shown the project is well arranged and attractive.

3.0 BUSINESS PERFORMANCE REVIEW

The general performance in the company during the period reviewed shows good operational conduct in the successive years of its existence.

Likewise the random analysis carried to establish the gross net worthy of the company from the observed trends shows positive achievements throughout. The company is now in a wide focus of enhancing continuously the business income without hindrances.

Similarly the following were observed in the analysis of the available financial records for the years:-

3.1 Financial Management

The management has constantly ensured that there is a clear and transparent financial accountability and strictly all books of primary entries are being kept during the period of operations.

There is strict observance of financial ethics that also conforms to the standards of accounting and practice as prescribed by statutory authority responsible for the respective ethics and practices.

The company is compelled to produce on annual basis the financial statements that comply to the prescribed standards issued by the National Board of Accountants and auditors (N.B.A.A.) from time to time. Under the standards, there is strict adherence to financial ethics and norms in order to ensure effective financial discipline.

The company engages extension services of an approved Accountant who besides record preparation and record keeping also do the general supervisory functions to ensure the accounts prepared conform to the required national standards.

4.0 MARKETING AND MARKETING ASPECTS:

4.1 Demand and Supply

The market forces of demand and supply do not accurately refer to any kept data source in the country, however, the market performance and the number of players in the market tells the impact both ways.

Thus generally, there is higher demand than the supply trends and the same keep on increasing yearly.

Despite the fact that there is no accuracy in ascertaining the actual demand of the products in the market, but the basis for requirements could be established on the ground of the pertaining economic factor that show demand and supply trends keep on increasing progressively.

The areas of priority includes heavy duty industries where staff need facilitated transport means especially junior staff in public offices who need quicker movements between points and in errands.

It is therefore in our view that:

- The Country's trade liberalization policy have automatically increased the demand for products that was not available in the past or rather sold at hiked prices
- The adoption of globalization policy around the world opened doors to explore the world markets thus brought new tastes in the local market and as well the neighboring states.
- Most old operators do not adequately satisfy the present rapid growing market requirements thus supply need be highly strengthened.
- Analysis shows that such observations are influenced by the following:-
The adoption of globalization policy around the world opened doors for a local investors to import the products easily far beyond restrictions in the parts where most old operators do not adequately satisfy the present quality of products and do not respond to customers' requirements in timely manner. Thus deserve new business styles.

4.2 Market share

The market analysis shows that the company enjoys a growing market share each year a situation that inevitably necessitates timely enhancement of the working capital for achieving of the desired results.

Such measures will enable the entity to demonstrate favourable degree of efficiency in the desired area hence equally enabled to build a stronger market share for the products than the present existing status national wide.

Furthermore, the company strives to improve the services delivery to customers in order to reach higher position in the market within the next short period if the enhancement succeeds. Thus these products pose higher and prosperous market share.

The business carried by the company has a reasonable market share when categorized to other providers within the existing zones of operations.

If enhancement succeeds we are certain to operate at smooth environment that will entice more customers and eventually lead to build stronger markets for the products beyond our current goals. Thus, could further improve our market share steadily as we grow to proximities of the business beyond present levels.

4.3 Market Strategies

In order to market the products effectively it will further require us more than in the past; to merge our effort and incorporate relevant techniques to progress while striving to occupy a forefront position in our market arena.

It involved us largely always as traders to establish links and strategic relationships with various market peripherals.

This measure we adopted for the past three years ensure us continuous inflow of steady stream of potential customers from all walks of life and particularly those who purchase in bulky so as to sustain our operations. This aspect will always be emphasized in our markets place and there to stay.

Our pricing policy aim to increase the market share for our products, meet

satisfaction of the customer and establish a stable base of revenues and profitability for our longevity in the business.

In the proposed enhancement, the company aims at retaining the present markets and ensures to invent more new markets as a prime goal. Such strategy is obligatory to be reviewed continuously from time to time.

4.4 Targeted markets

The present targeted customers is to serve the huge established markets within the country particularly the general public, individual customers who regularly visit our business centre and several others who always place orders.

The company shareholders further aim to grasp the available opportunities in some upcountry regions and the neighboring countries as well in order to ensure more customers are linked to the company markets.

Similarly and progressively when the new business take off at an enhanced quality it is at undoubting existence of the various attracting products always.

4.5 Future expansion

The existing business centre is located at junction of Msimbazi street and Swahili street (Kariakoo area) but the new outlet is very spacious and has adequate storage facilities to cater for larger size of expansion. This project is aimed to attract majority of traders who wish to facilitate delivery of goods and services to the customers easily.

The project size is wide and very spaciously granted by the Kigamboni municipality hence we have been able to acquire such a standard area that may take very long to be fully utilized hence the project has a strong future with enormous extension.

It is therefore anticipated that larger storage capacity at the Vijibweni ward, Kigamboni Municipality could encourage the growth opportunities that was earlier prearranged hence need be fully utilized in nearest future than any further before. On the other hand there is also a focus to utilize new

opportunities of investment brought about by the cooperation of other East Africa countries.

There is wide and ready market in such geographical coverage that may be utilized in very wide level and geographically several new East Africa countries are now involved

4.6 Quality Control

The company is quality base on all products (particularly spare parts) that do not undergo any further process before use. These products are recognized as complying with the International Standards Organization (ISO) qualities.

The company continues to ensure that the products reach the final consumer without quality interruptions or poor handling, we insist to our customers that quality has long been one of our basic business priority all the time and it is highly ensured in compliance. We therefore care for quality matters all the time as long as trading is broadminded.

4.7 Pricing and Pricing Policy

The company's pricing policy is usually determined by the use of the standard market forces of demand and supply. Besides, we also take into consideration the cumulative costs involved from the point of ordinary procurement level, the point of final distribution and to final consumers. Therefore the matter under this section is attractive and stable hence attracting more new comers.

4.8 Competition

The company like most others in the industry is operating in the trade liberalization policy that had prevailed in the country for a reasonable time and is without failure. Our operations run in the congested market with other providers whose standards do not pose any threat to us as we have already took all necessary measures to win the markets. Our company has a long run requirement that will eventually win the trading base. Competition is always well studied to meet the standard of markets in all areas of trade.

5.0 FINANCIAL ANALYSIS

5.1 The Cash flows Projections

The company's cash flows projection for the next five years has been

prepared under the following assumptions:

- The expected increase in sales and in relation to current year production goals
- The pricing policy old and new proposed to be used in the several varieties of available and products
- The existing fixed annual rates of the current ongoing project purchase and sales estimates
- The seasonal requirements of the products in the established markets considered as higher volume new to the trading atmosphere.
- The relationship of the administrative expenses to the life span of the proposed project under the proposed enhancement
- The increased purchase in relation to the company seasonal levels for the proposed five to six years
- Other itemized list shown at the bottom of the projected document.

6.0 ENVIRONMENTAL ASPECTS

The company's products reach the customers at the finished stage a quality that do not require any further processing hence could pose no environmental hazards.

ZTM LIMITED

PROJECTED CASHFLOWS ANALYSIS FOR THE NEXT FIVE YEARS FROM 2023 TO 2027 (IN TSHS ,000)*

PARTICULARS/YEAR	2023	2024	2025	2026	2027	TOTAL
INFLOWS:						
Cash sales	12,548,360	21,332,212	29,865,097	35,838,116	43,005,739	142,589,524
Cash from debtors	250,967	426,644	597,302	716,762	860,115	2,851,790
TOTAL INFLOWS	12,799,327	21,758,856	30,462,399	36,554,878	43,865,854	145,441,315
OUTFLOWS						
Purchases	16,312,868	16,639,125	19,966,950	23,960,341	28,752,409	105,631,693
Total staff emoluments	625,315	812,910	894,200	947,852	966,810	4,247,087
Total administrative expenses	25,097	21,332	29,865	35,838	43,006	155,138
Bank charges and interest	34,699	34,699	34,699	4,337	4,337	112,770
TOTAL OUTFLOWS	16,997,978	17,508,066	20,925,715	24,948,368	29,766,561	110,146,688
NET CASHFLOW	(4,198,651)	4,250,791	9,536,684	11,606,510	14,099,293	35,294,627
Opening balance	(2,602,392)	(6,801,043)	(2,550,252)	6,986,432	18,592,942	
closing balance	(6,801,043)	(2,550,252)	6,986,432	18,592,942	-	

ASSUMPTIONS

- 1.The company anticipate sales increase from the second year the reorder cycle will be carried effectively for each two months basis so as to ensure fresh stock arrive at short interval after the first procurement of imports
- 2.More cash sales will be realized from bulky buyers who will be given special discounts in order to improve the company revenue collection at short period
- 3.Procurement of imports will be carried in regular intervals to ensure adequate stock all the time to adequate buffer stock when fresh importation processes commences
- 4.There is proposed financing where interest shall be fixed at 16% through the year where other administrative expenses are expected no to exceed 3% of the projected period revenues
- 5.Staff benefits all together are estimated at 10% of the annual sales and remain constant throughout the projected business span however sales incentives will be encouraged
- 6.In the administrative account there is proposed financing where interest on overdraft shall be fixed at 16% through the year

Likewise the office location is in an area recognized by the local government and the city master plan hence is linked to the municipal garbage disposal networks. However, few residues resulting from minor daily operations at the company office and operations are hygienically disposed by the authorized municipal agents.

The company office premises are adequately equipped with fire extinguishers for general safety against any an uncalled event of fire outbreak hence no threat is posed to the environment and the earth dwellers. General observations herewith show that all standards of approaching customers in the markets ensures that they are aware of proper health standards with sustainable integrity.

7.0 SOCIAL ECONOMIC ASPECTS

The company employs more than 50 Tanzanians on both permanent and temporary basis and similarly the government is collecting revenues in various forms of statutory taxes levied on the industry and the products.

The company besides being a direct source of revenues it is also contributing to the socio economic services through continuous creation and contributing value to the national economy.

It is evident that under the current situation the company's own current working capital cannot suffice the financial strength needed for reason that more than extra 70 staff members of different classes will now be required to service the newly extended project and the head quarter updated operations.

The situation observed is that the new company performance at the current activities period of existence that shows positive changes with continuous growth in the remarkable marketing ability resulted from the well-tailored techniques by the shareholders.

Therefore as growth status change positively to a new economic level , thus the updates results is mainly through working capital hence will simultaneous give a sound profitability.

Likewise, the enhancement will create more direct and indirect job vacancies and also contribute towards the community development services hence the economic growth of Tanzania.

Besides any resulting growth always ensures our entity shows growth and simultaneously her working capital coverage meets all the customers in timely manner and progressive requirements.

Similarly all staff members who had been in existence and those serving at development session will be enjoying the same with sound contributions to the municipality and the national economy at general status.

8.0 RECOMMENDATIONS AND CONCLUSION

8.1 Concluding remarks

The project analysis and its objectives presented herein aims to examine the undoubted strengths of the company and where extra resources will be exploited materially in improving the performance of the company to ensure stronger base of the business at the new desired level.

It is also obvious that the government policy on free market economy aims at rejuvenating the national economy is being successfully adopted in our community and is also an added advantage to encourage positive company growth and strong sustainable focus.

Furthermore, the company's latest trading operations recognizes the effort to boost market levels be well established during the current desired existence despite the overstretched working capital that was initially injected in the running operations without any failure.

The entity has a sound gears to support the overall financial requirements with long-lasting implementation level. The project is also a supporting arm

to other sectors of the development particularly the agriculture, trade and industries; also is playing a vital role in transportation sector that give continuous growth to various forms of development in the society.

8.2 Recommendations

The detailed operational performance and achievements in the operations of the company for the previous tenure up to this time gives an exemplary contribution to the national economy and the development of the community that deserve continuous implementations.

The products has a ready market with sound easy maturity thus assured of tapping sufficient surplus income to meet on the financial obligations resulting from the applied credit facility thus recommendable for a timely financial support.

Under the current circumstance, the project has wide and strong focus to the overall line of trading that had been persistent and supportive.

Therefore, the above details are hereby forwarded for your consideration to support our focused ventilated realization to the highest development goals in support to the advanced economic growth of our nation.