
BUSINESS PLAN

DHARIWAL LOGISTICS COMPANY LIMITED

Table Contents

| | | |
|---------|--|----|
| 1. | EXECUTIVE SUMMARY | 3 |
| 2. | DESCRIPTIONS OF THE BUSINESS | 3 |
| 2.1 | Vision | 3 |
| 2.2 | Mission | 3 |
| 2.3 | Employees | 4 |
| 2.3.1 | The employees structure will be as follow | 4 |
| 2.3.2 | EMPLOYEES DEVELOPMENT PLAN | 4 |
| 2.3.3 | PROSPECTIVE EMPLOYMENT OPPORTUNITIES | 4 |
| 3. | MARKETING SEGMENT | 5 |
| 3.1 | Market analysis | 5 |
| 3.1.3.1 | Strength | 5 |
| 3.1.3.2 | Weaknesses | 6 |
| 3.1.3.3 | Opportunity | 7 |
| 3.1.3.4 | Threat | 7 |
| 3.2 | Marketing strategy | 7 |
| 3.2.1 | Process | 7 |
| 3.2.2 | Promotion | 7 |
| 3.2.3 | Product | 7 |
| 3.2.4 | People | 7 |
| 3.2.5 | Pricing | 8 |
| 3.2.6 | Distribution Channels | 8 |
| 4 | OPERATIONAL SEGMENT | 8 |
| | DHARIWAL LOGISTICS COMPANY LIMITED | 9 |
| 5 | FINANCIAL PLAN | 9 |
| 5.1 | SOURCE AND USES OF FUND | 9 |
| 5.1.1 | Source | 9 |
| 5.1.2 | Application of funds | 10 |
| 6 | RISK ASSESSMENT AND CONTINGENCY PLAN | 13 |
| 6.2 | Disaster-fire | 13 |
| 6.3 | Staff Loyalty and turnover | 13 |

1. EXECUTIVE SUMMARY

The proposed business aims to acquire and increase its fleet. These fleets will be fully operational and utilized to generate employment opportunities for the surrounding community, as they are the primary stakeholders in the business. Additionally, the business intends to address environmental sustainability issues and contribute to the overall economic improvement of the Arusha communities.

2. DESCRIPTIONS OF THE BUSINESS

The business name is DHARIWAL LOGISTICS COMPANY LIMITED, a private limited liability company, registered under the Laws of the United Republic of Tanzania with a certificate of incorporation no. 156-205-664 dated the 21st day of May 2022. The company has obtained a certificate of registration for a tax identification number 156-205-664 on the 20th day of May 2022, engaging in the business of transportation. The company is owned by its co-founders, Inderjit Singh Dhariwal, Amandeep Singh Dhariwal, and Iqbal Singh Dhariwal, each having experience in the transport industry.

2.1 Vision

The vision of DHARIWAL LOGISTICS COMPANY LIMITED is to consistently deliver higher-quality performance than any of its competitors in the industry. The essence of this project lies in the delivery of high-quality services. Experienced professionals are collaborating on this project to ensure top-notch services and management.

2.2 Mission

The DHARIWAL LOGISTICS COMPANY LIMITED can ensure that it provides quality service with upgraded amenities and high-end services, delivered to meet or exceed client expectations, making them our best ambassadors.

2.3 Employees

2.3.1 The employees structure will be as follow

| Title | Key responsibilities |
|-------------------|---|
| Operation Manager | Oversee all the activities |
| Staff Manager | Manages all staff |
| Accountant | Manages the books for day-to-day operations |
| Staff | Handling day to day activities of transport |

2.3.2 EMPLOYEES DEVELOPMENT PLAN

The company is deeply committed to the development and well-being of its employees. Our focus is on enhancing employees' performance and skills. As employees continue to work with DHARIWAL LOGISTICS COMPANY LIMITED, they will receive training to prepare them for higher positions within the company. Working in collaboration with experts will boost the skills and capabilities of local employees, positioning them for future roles.

2.3.3 PROSPECTIVE EMPLOYMENT OPPORTUNITIES

DHARIWAL LOGISTICS COMPANY LIMITED operates on the principle of a going concern. Consequently, we anticipate that our business operations will yield positive outcomes for the surrounding communities, either directly or indirectly. As the business continues to thrive, we plan to expand our operations by adding more fleets, creating additional employment opportunities for many. Moreover, the company stands to benefit from the expanded scale of operations

3. MARKETING SEGMENT

According to experience and market research, there is a high demand for transportation facilities in the region and the country as a whole. This high demand is attributed to road construction and an increase in economic activity. Therefore, the expansion and development of DHARIWAL LOGISTICS COMPANY LIMITED within Arusha and the entire country may provide a solution to the inadequate availability of transportation for goods.

3.1 Market analysis

3.1.1 Customer

Intends to provide a service to a wide group of people. By looking at the market analysis, has defined the following groups as targeted segments:

After year 1, the customer base with consist of 60% from local companies, and 40% from East African Countries

3.1.1.1 Competitive analysis

Market research indicates that existing transport companies engaging in the same business are either unable or do not provide the level of care offered by us. The success of the project can heavily depend on the advantages of other existing businesses and their uniqueness in terms of quality service, as well as the way they structure their customer services. Furthermore, the project's success can also depend significantly on different transport operators in Tanzania. DHARIWAL LOGISTICS COMPANY LIMITED stakeholders are determined to provide better services compared to other transport companies by incorporating more technology into their fleets.

3.1.1.2 SWOT analysis

The S.W.O.T analysis provides an opportunity to examine the internal strengths and weakness of DHARIWAL LOGISTICS COMPANY LIMITED must address. It also allows examining the opportunities presented to DHARIWAL LOGISTICS COMPANY LIMITED as potential threats.

3.1.1.3 Strength

- Knowledgeable and friendly staff.

The proposed owners of DHARIWAL LOGISTICS COMPANY LIMITED will go to great lengths to find individuals with a passion for their work. The current and future staff are

expected to be knowledgeable and eager to please. The company intends to hire and work with friendly and mature locals in the community who seek stable employment in an easygoing and comfortable workplace

- Clear vision of the market needs

Owners have years of experience running the transport business and know how to make the company run like a well-oiled machine. They know what it takes to build profits for an organization by taking advantage of revenue channels available, in addition to being creative about generating new streams.

3.1.1.4 Weaknesses

- Access to additional operating capital.
- Challenges of the seasonality of the business.

3.1.1.5 Opportunity

- Increased demand of transportation due to change of logistic in transport sector
- Inadequate goods transport facility in the Country.

3.1.1.6 Threat

- The absence of local importers and the limited availability of heavy-duty motor vehicle assembly in the country force the company to either import from other countries or wait for orders from a small number of assemblers.

3.2 Marketing strategy

3.2.1 Process

DHARIWAL LOGISTICS COMPANY LIMITED intends to provide its customers with fast service without any delays whenever necessary, thereby making customers rely on the facility.

3.2.2 Promotion

Normally, DHARIWAL LOGISTICS COMPANY LIMITED uses promotion as a key marketing strategy to communicate with and reach the targeted audiences. This involves temporarily setting prices to attract customers, especially during intense competition in the market.

3.2.3 Product

The products we intend to offer customers include unlimited transportation of goods. This means that depending on the size of the goods, the company can negotiate and offer the service.

3.2.4 People

At DHARIWAL LOGISTICS COMPANY LIMITED, individuals are categorized into three roles: marketing managers, decision-makers, and operational managers.

Marketing managers work on changing plans for products, customers, and geographic markets, managing the transition in the people portfolio needed to execute the new strategy.

Decision-makers are responsible for making decisions related to various approaches linked to business needs.

Additionally, operational managers supervise daily activities, while staff members perform these activities

3.2.5 Pricing

Fair prices will be maintained to attract and retain customers for the company. Prices will be set in accordance with government regulations; the company will not set prices with the aim of maximizing profit at the expense of providing the proposed services and every effort will be made to ensure the uniqueness of the service. Additionally, pricing will be determined with reference to the average existing prices in the local markets

3.2.6 Distribution Channels

Significant effort will be made to advertise the products to the customers and the rest of the stake holders. The organization will use all major means of communication, which are found in the country in order to make many people be aware about the provided services. Another means shall be used to advertise by making sure that the customers are given services at the maximum quality.

4 OPERATIONAL SEGMENT

We have engaged professional transport experts who will actively participate in the process as we continue with our normal daily routine. For quality control of the services provided and enhanced security, the company has installed car tracking to monitor all motor vehicles during operations. The working environment for our employees will be conducive to ensuring they provide high-quality service. Activities are expected to be conducted with minimum costs and maximum supervision, including regular checks and maintenance during operations to ensure quality is maintained.

**DHARIWAL LOGISTICS COMPANY
LIMITED.**

ORGANISATION HIERARCHY

Board of directors



Managers/ supervisors



Employees

5 FINANCIAL PLAN

5.1 SOURCE AND USES OF FUND

5.1.1 Source

Total investment costs is Tshs. **1,250,000,000** of which the loan is Tshs. **1,062,500,000** and owner's equity contribution is Tshs. **187,500,000/=**.

| CAPITAL | AMOUNT |
|----------------|-------------------------|
| CASH | 187,500,000.00 |
| DEBT | 1,062,500,000.00 |
| TOTAL | 1,250,000,000.00 |

5.1.2 Application of funds

| S/N | ITEM | AMOUNT |
|-----|--------------|--------------------------|
| 1 | Vehicle | 1,2500,000,000.00 |
| | TOTAL | 1,2500,000,000.00 |

5.2 FINANCIAL PROJECTIONS

5.2.1 Cash Flow Projection

| CASH FLOW PROJECTIONS FOR 5 YEARS | | | | | |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| YEAR | 2023 | 2024 | 2025 | 2026 | 2027 |
| Cash at beginning of the year | - | 446,145,755 | 441,760,906 | 438,258,223 | 457,308,655 |
| <u>CASH INFLOWS</u> | | | | | |
| <i>Equity</i> | 187,500,000 | | | | |
| <i>Loan</i> | 1,062,500,000 | 2,341,452,000 | 2,453,142,400 | 2,597,370,880 | 2,805,160,550 |
| cash sales | - | 23,414,520.00 | 24,531,424.00 | 25,973,708.80 | 28,051,605.50 |
| trade receivables | - | 2,811,012,275 | 2,919,434,730 | 3,061,602,812 | 3,290,520,811 |
| TOTAL CASH INFLOWS | 1,250,000,000 | 446,145,755 | 441,760,906 | 438,258,223 | 457,308,655 |
| <u>CASH OUTFLOWS</u> | | | | | |
| Purchase of Motor Vehicles | 1,250,000,000 | 1,250,000,000 | 1,250,000,000 | 1,250,000,000 | 1,250,000,000 |
| Spare parts expenses | 845,609,398 | 930,170,338 | 1,023,187,372 | 1,125,506,109 | 1,238,056,720 |
| Others | 171,891,847 | 189,081,032 | 207,989,135 | 228,788,048 | 251,666,853 |
| TOTAL CASH OUTFLOWS | 2,267,501,245 | 2,369,251,370 | 2,481,176,506 | 2,604,294,157 | 2,739,723,573 |
| Net Cash at the end | 446,145,755 | 441,760,906 | 438,258,223 | 457,308,655 | 550,797,238 |

5.2.2 Projected Income statement

| DHARIWAL LOGISTICS COMPANY LIMITED | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| PROJECTED STATEMENT OF COMPREHENSIVE INCOME FOR 5YRS | | | | | |
| | Year 1 2023 | Year 2 2024 | Year 3 2025 | Year 4 2026 | Year 5 2027 |
| | Tshs | Tshs | Tshs | Tshs | Tshs |
| Income | 5,671,279,623 | 6,238,407,585.30 | 6,862,248,344 | 7,548,473,178 | 8,303,320,496 |
| Less: Cost of Sales | 4,252,697,401 | 4,677,967,141 | 5,145,763,855 | 5,660,340,241 | 6,226,374,265 |
| Gross Profit | 1,418,582,222 | 1,560,440,444 | 1,716,484,489 | 1,888,132,937 | 2,076,946,231 |
| Less: Operating expenses | 845,609,398 | 930,170,337 | 1,023,187,371 | 1,125,506,108 | 1,238,056,719 |
| Operating Profit | 572,972,824 | 630,270,107 | 693,297,117 | 762,626,829 | 838,889,512 |
| Less: Taxation | 171,891,847 | 189,081,032 | 207,989,135 | 228,788,049 | 251,666,854 |
| Net operating profit for the year | 401,080,977 | 441,189,075 | 485,307,982 | 533,838,780 | 587,222,658 |

6 RISK ASSESSMENT AND CONTINGENCY PLAN

6.1 Civic Unrest

Violent civilian action is uncommon in Tanzania and is primarily confined to its borders with neighboring, less stable countries. The minor risk is mitigated by armed traffic police, providing protection from potential carjackers

6.2 Disaster-fire

All camps are protected by firebreaks, providing fire extinguishers that can mitigate damage in case of a fire outbreak. Additionally, all motor vehicles have comprehensive insurance to cover compensation in the event of a loss caused by a fire outbreak.

6.3 Staff Loyalty and turnover

There has been an issue in many transport companies. The company shall pay extra bonuses monthly compared to other companies, as well as offering an employee give-back program where the company shall financially support community efforts in their working vicinity.