

# **RUNTO COMPANY LIMITED**

## **BUSINESS PLAN**

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## **RUNTO COMPANY LIMITED**

### **Business Profile**

#### **A. Executive Summary**

##### **1. Company& Project concept**

**RUNTO is** a limited liability Company incorporated in Tanzania under the Company Act of 2002. The Company was incorporated on 10<sup>TH</sup> December, 2021 and bears a Certificate of Incorporation number 154388532. The Company intends to implement a project of Real Estate in Tanzania.

**RUNTO COMPANY LIMITED's project** will be located at Visiga Kivulini in Kibaha Town, Tanzania.

The outreach Office is located at Charambe, Ilala, Dar Es Salaam.

Our goals and objectives are straightforward and seek to ensure we run a professional, profitable, and ethical company, building relationships with customers, suppliers, and investors. **RUNTO COMPANY LIMITED** aims to become one of the leading real estate developer prioritizing professionalism, profitability, and ethical practices. Activities include real estate development, and property management.

##### **2. Company Goals and Objectives:**

In Summary **RUNTO COMPANY LIMITED** aims to: -

- To build Warehouses for renting in the form of industrial park.

- To Purchase land and build warehouse and other related building then rent or lease to other company or individuals.
- To build facilities for tenants that will help in the usage of electricity, water, natural gas and other related facilities for tenant
- To create quality homes and commercial properties in Tanzania that meet our customers' diverse needs.
- To make our customers happy by delivering exceptional real estate solution and excellent service.
- To grow responsibly, innovate, and use eco-friendly practices in our projects.
- To foster a motivating and inclusive work environment where our employees can excel and take pride in their work.
- To build strong relationships with investors and provide satisfactory returns on their investments.
- To uphold high ethical standards and abide by all relevant laws.
- To contribute positively to the communities we serve and support local development.
- To use technology to improve efficiency and enhance customer experience.
- To explore new opportunities within the real estate sector for growth and value creation.

With these goals, we strive to become a respected and influential real estate company, delivering lasting value to our customers, investors and communities.

### **3. Purpose of Business Plan**

This document is prepared to serve the purpose of application for a certificate of incentives with Tanzania investment center to enable **RUNTO COMPANY LIMITED** to proceed with the project of **REAL ESTATE** in the United Republic of Tanzania.

### **4. The project promoter**

The project will be managed and operated by **RUNTO COMPANY LIMITED** which is owned by private individuals with the following shareholders percentages distribution is listed below.

<b>NAME SHAREHOLDERS</b>	<b>OF</b>	<b>NATIONALITY</b>	<b>NUMBER OF SHARES</b>
ZUO GUIZHEN		CHINESE	70
YIN CHUANBIN		CHINESE	30
TOTAL NUMBER OF SHARES OF THE COMPANY = 100 Ordinary Shares			

### **5. Intended investment Amount:**

The investment amount is Tanzania Shillings/ USD 500,000.

### **6. Company Legality**

The legal certificates, and documents such as Memorandum and Article of Association, Certificate of Incorporation and Tax Identification Number, justify that **RUNTO COMPANY LIMITED** is operating within the ambit of the law of Tanzania.

### **7. Project Organization Structure**

The management of **RUNTO COMPANY LIMITED** is constituted by the following organization set up, the Board of Directors who are responsible on the supervision on the entire operations of the Company and the company's operational team which implement the project goals and vision.

### **8. Investment Structure**

The project is estimated to cost a total approximation of United States Dollars USD 500,000 which will increase from time to time. The money will cover working Capital, material importation and other company expenses. However, a financial policy of the Company state that the profits generated will be re-invested.

### **B. Statement of Purpose**

This Profile is drawn for the purpose of commencement of the business and application for the certificate of Incentives from the Tanzania Investment Centre (TIC).

### **C. Purpose of Investment**

This document is prepared to serve the purpose as a feasibility study for **RUNTO COMPANY LIMITED** on the establishment of a real estate project in the United Republic of Tanzania/Zanzibar.

### **D. Summary of the Expected Results**

The real estate project aims to achieve the following:

- Increase direct employment opportunities.
- Develop residential and commercial properties.
- Provide modern amenities and facilities for residents and businesses.
- Create job opportunities through construction and property management.
- Attract domestic and foreign investments.
- Contribute to the local economy through increased property taxes and business revenue.
- Direct Domestic investment of more than USD 500,000 within 2023 -2028

### **E. Mission and Vision**

The company vision is to be one of the leading companies in real estate development and property managements in Tanzania. To offer high-quality residential and commercial properties, providing modern amenities and contributing to the local real estate farming in Tanzania for local markets and export purposes while fostering growth and development in the region.

### **F. Operations**

The project will be managed and operated by **RUNTO COMPANY LIMITED**. The Company is finalizing acquisition of operation permits to start the implementation of Management will establish sound operating guidelines to conduct the day-to-day operations of this project.

### **G. Project Location**

- The project shall be located at Plot No. 185&186 BLOCK "A" SITUATED AT VISIGA KIVULINI in Kibaha town Tanzania.

### **H. Postal Address**

**P.O. Box 30303,**

**Dar es Salaam, Tanzania**

## **I. Real Estate sector in Tanzania**

### **a. Real Estate in Tanzania**

The real estate sector in Tanzania plays a vital role in economic growth, generating jobs and attracting investments. To ensure success, the government must focus on infrastructure development, land management, and workforce transition. Creating a Real Estate Development Authority, promoting affordable housing, and investing in infrastructure are essential steps. Continuous monitoring and evaluation will be crucial for progress.

### **b. Tanzania's Real Estate sector**

There has been the growing sensibly in recent years accompanied by strong and sustained economic growth. Tanzania's real estate sector has been growing sensibly in recent years accompanied by strong and sustained economic growth. The value of Tanzania's properties accounted for 3.7% of the country's real GDP with USD 1.5 billion in 2019, compared to USD 1.2 billion in 2015, an increase of 25%. Housing in Tanzania is dominated by individual home-builders who account for over 70% of the total supply.

### **c. Project Justification**

The proposed project is under management of **RUNTO COMPANY LIMITED** and is in line with Tanzania Government efforts in attempt to develop real estate sector. This also has been complemented by the fact that the government is making a critical effort in improving the real estate sector.

Regarding the initiative undertaken by **RUNTO COMPANY LIMITED**, it is justified by the following facts:

- The company has a special invested interest in the real estate sector and therefore decided to seek additional real estate projects in their company.

- The involvement of the company in the real estate sector will boost and at the same time strengthen the real estate sector in Tanzania.
- The company's marketing strategy and intention is to have a wide customer base both locally and internationally which focuses on solving private and public.

#### **d. Social and Economic Impact of the Project**

The proposed project will result into the following social and economic impacts:

- Improve and increase the real estate sector through the construction of different types of buildings within and outside the United Republic of Tanzania.
- Increased competitiveness among local real estate companies and export markets in Tanzania.
- The project will provide employment for people in Tanzania and training the employees to further improve their knowledge on the real estate activities.
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by this Company.

## **e. Industry Analysis**

### a. Sales Literature, Technology and Future services

#### i. Sales Literature

The company shall utilize various marketing materials and training programs to promote its real estate to customers.

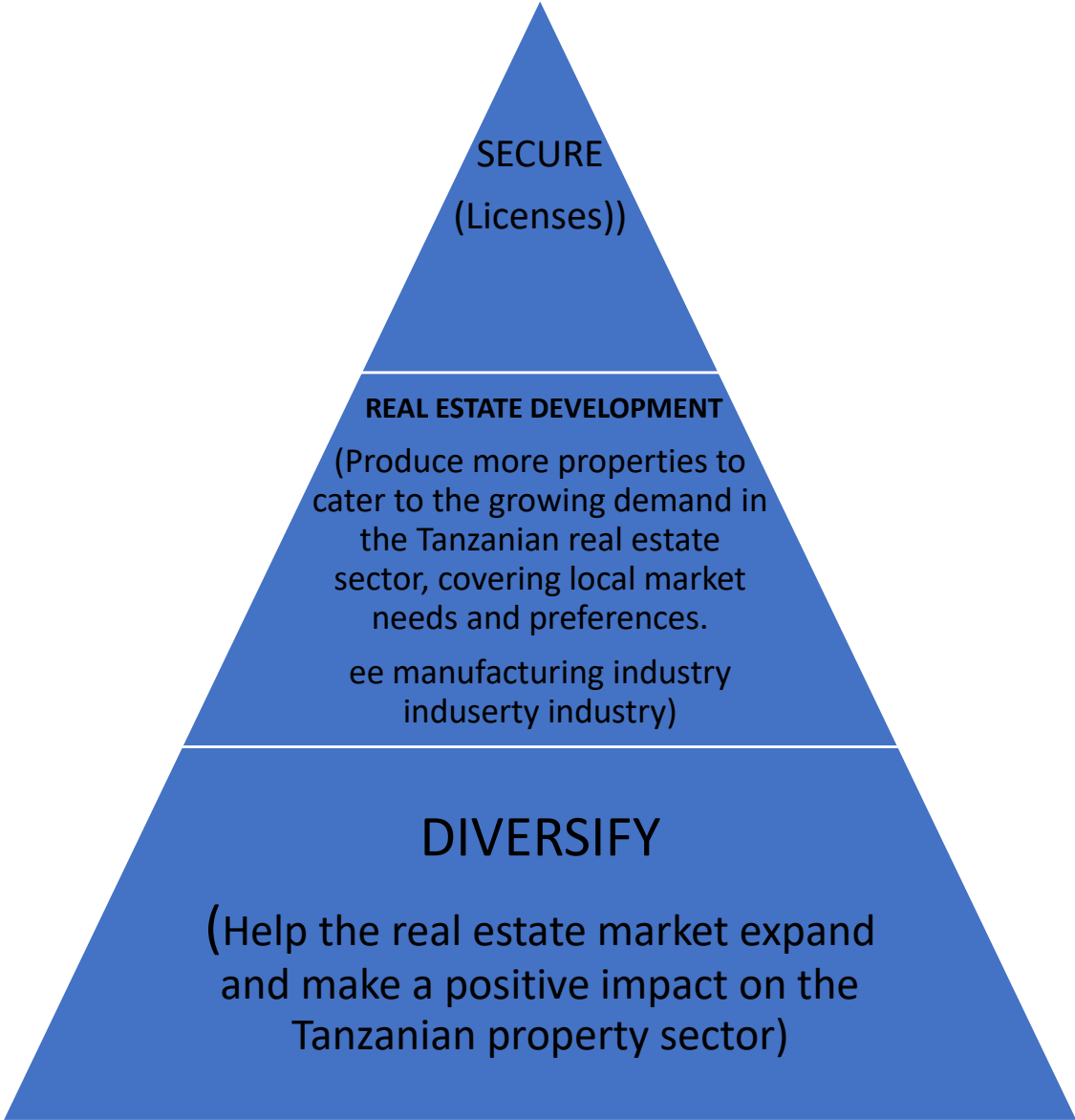
#### ii. Technology

The company aims to the company aims to develop and manage real estate properties, which will involve acquiring both imported and locally sourced construction materials. Advanced construction machinery and technologies will be employed to enhance efficiency and quality in real estate development.

#### iii. Future Services

The company's future plans involve diversifying its real estate business by venturing into other related activities. This includes developing farm plantations and constructing all accommodations to support agricultural activities.

Strategy Pyramid



## b. Competitive Edge

Competitive Edge the Company will have a significant advantage over its competitors in the real estate industry due to the following reasons: -

- The real estate development projects undertaken by the company will be advanced and of higher capacity compared to competitors.
- Many real estate companies often price their properties at a premium, whereas our company will offer properties at more affordable and competitive prices.
- The opening of Tanzania for international investment has created a huge demand for real estate projects, resulting in a thriving market and ensuring a quick return on investment for the company.

## f. Opportunities

### a. Increased demand for real estate activities

Tanzania is experiencing a surge in demand for real estate properties as the country's economy continues to grow backbone of the economy.

### b. Uniqueness location of the project

**RUNTO COMPANY LIMITED**'s project will be one of the agricultural activities, which is located at Kibaha, Tanzania. The location presents an opportunity for be strategically located in Kibaha, Tanzania. This project provides an opportunity to **RUNTO COMPANY LIMITED** to easily capture the market around Kibaha Region together with Dar es Salaam Region and even extending its borders to the new road that connects to Morogoro and other central regions of other parts of Tanzania.

Unique location of the project RUNTO COMPANY LIMITED's real estate project will be strategically located in kibaha, Tanzania. The location presents an opportunity for RUNTO COMPANY LIMITED to capture the market in kibaha Region, Dar es Salaam Region, and even extend its reach to the new road that connects to Morogoro and other central regions of Tanzania.

**c. Government Policy**

The Government of Tanzania has made the policy that intends to improve and promote the agricultural sector locally and across borders.

**d. Government Incentives package**

The Government has enacted laws that offer reasonable incentives example removal of taxes on some importations and deferment.

**d. Analysis of Strengths, Weaknesses, Opportunity, and Threats**

Table below present the analysis of the company's Strengths, Weaknesses, Opportunities and Threats (SWOTS)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Availability of Markets</li> <li>• Connection to stakeholders</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Capital Injection</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Supportive government policies</li> <li>• Government initiatives to develop the real estate sector, leading to increased demand for real estate services.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Increment of inflation</li> <li>• Climate changes, such as floods, droughts, and extreme weather, which may affect real estate operations.</li> </ul>

The company has prepared for the action plans by doing the following: -

#### e. Marketing Information

The company will employ qualified professionals to conduct marketing activities for its real estate projects.

#### g. Marketing Strategy

##### i. Overview

The success of **RUNTO COMPANY LIMITED** in the real estate market will be achieved by providing high-quality services, a customer-centric approach, and an aggressive marketing plan to attract potential buyers and investors. The real estate market requires a different set of strategies compared to agriculture. We will focus on offering attractive properties, providing exceptional customer service, and maintaining a positive brand image throughout all marketing efforts amplifies some of the tactics we will use to drive more sales and distribution.

##### ii. Customer Database

**RUNTO COMPANY LIMITED** will aggressively build a database of potential buyers, investors, and other key stakeholders in the real estate market. We will encourage interested individuals to sign up for our database to receive updates on property listings, exclusive offers, and relevant market insights. The database will be maintained and updated regularly to ensure effective communication with our target audience.

##### iii. Advertising

**RUNTO COMPANY LIMITED** will adopt an aggressive advertising strategy. **RUNTO COMPANY LIMITED** will process outdoor and changeable copy advertisement and elaborate design signage depends upon lease space restrictions; designed within allowable limits to achieve maximum exposure. **RUNTO COMPANY**

**LIMITED** will utilize both traditional non-- traditional methods of advertising. Management's viewpoint on advertising is state in your own words, the philosophy **RUNTO COMPANY LIMITED** will adopt towards the use of traditional advertising such as radio, newspaper, billboards, or television.

#### iv. Costing and Pricing

The pricing strategy in the real estate market will be based on thorough market research and analysis of the property's value and market demand. We will offer competitive pricing to attract potential buyers and investors. Additionally, we will design promotional campaigns for specific properties or projects, offering incentives or discounts to drive sales and create a sense of urgency among potential buyers.

#### v. Customers

**RUNTO COMPANY LIMITED** is targeting to all regions in Tanzania and whole of East Africa specifically targeting the companies, businesses, and individual customers.

As it has been explained in preamble chapters, **RUNTO COMPANY LIMITED** will set project which will be indulging in agricultural business.

#### vi. Marketing Plan

The company has both short term and long-term marketing plan:

The short-term marketing plan will focus on establishing a strong online presence through social media marketing, and email campaigns. We will also participate in local real estate events and collaborate with real estate agents to expand our network.

Long Term Plans includes:

The long-term marketing plan will involve strategic partnerships with developers, real estate agents, and property management firms to increase our property listings. We will invest in market research and development to identify emerging trends and opportunities in the real estate market.

## **g. Management & Administration**

### **a. Management**

The management team of **RUNTO COMPANY LIMITED** will consist of the Board of Directors, who will make strategic decisions in line with the real estate market dynamics and investor expectations.

#### **i. Board of Directors**

**RUNTO COMPANY LIMITED** will be managed by the board of Directors which is the apex body for strategic decision making of the project in line with the resolutions from the shareholders.

#### **ii. Accountant**

An internal accountant will be employed to work with the existing external accountant who is expected to have good experience in accounting system as well as he will be responsible in managing cash of **RUNTO COMPANY LIMITED** but also keeping books of accounts properly.

#### **iii. Management Agreements**

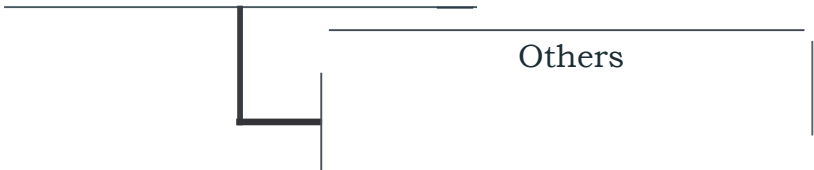
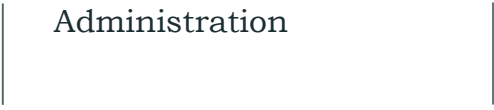
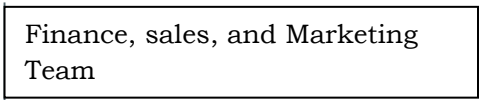
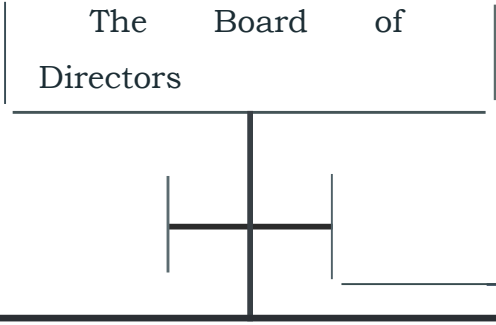
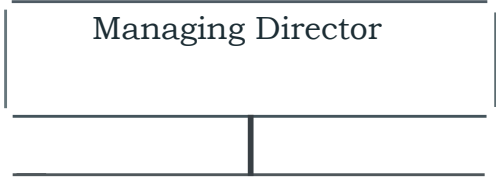
Management Agreements will be executed between **RUNTO COMPANY LIMITED** and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

#### **iv. Confidentiality Agreements**

**RUNTO COMPANY LIMITED** will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our agricultural business, operating systems, policies, and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets and show our employees that we take our business seriously.

#### **v. Organization Structure**

The management of **RUNTO COMPANY LIMITED** is planning to have the following organization structure.



vi. Job creation

The following table illustrates the forecasted job creation throughout the coming five years.

Job Title /Year	2023	2024	2025	2026	2027	Total
Country Manager	1	0	0	0	0	1
Finance Manager	1	0	0	0	0	1
Office Manager	1	0	0	0	0	1
Sales Manager	1	0	0	0	0	1
Operations Manager	1	0	0	0	0	1
Agricultural Equipments Operators	10	5	5	5	5	30
Agricultural Technician	2	0	1	1	1	5
Grand Total	17	5	6	6	6	40

**Appendix I**

..... **COMPANY LIMITED PROJECTED INCOME &  
EXPENDITURE STATEMENT (US\$)**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Revenue	1,415,232.00	1,429,384.32	1,443,678.16	1,458,114.94	1,472,696.09	1,487,114.94
<b>Operating Expenses:</b>	1,202,947.20	1,214,976.67	1,227,126.44	1,239,397.70	1,251,791.68	1,264,114.94
<b>Profit before Depreciation &amp;Interest</b>	<b>212,284.80</b>	<b>214,407.65</b>	<b>216,551.72</b>	<b>218,717.24</b>	<b>220,904.41</b>	<b>223,000.00</b>
<b>Interest</b>	18,000	14,400	10,800	7,200	3,600	-

<b>Depreciation</b>	<b>14,025.00</b>	<b>14,025.00</b>	<b>14,025.00</b>	<b>14,025.00</b>	<b>14,025.00</b>	<b>14,025.00</b>
<b>Net Profit</b>	<b>180,259.80</b>	<b>185,982.65</b>	<b>191,726.72</b>	<b>197,492.24</b>	<b>203,279.41</b>	<b>209,014.93</b>
Tax (30%)	54,077.94	55,794.79	57,518.02	59,247.67	60,983.82	62,711.48
<b>Profit After Tax</b>	<b>126,181.86</b>	<b>130,187.85</b>	<b>134,208.71</b>	<b>138,244.57</b>	<b>142,295.59</b>	<b>146,303.45</b>
Accumulated Profit	126,181.00	256,368.85	390,577.56	528,822.13	671,117.72	817,421.17

..... COMPANY LIMITED PROJECTED CASH FLOW

US\$

	0	1	2	3	4	5
<b>SOURCES:</b>						
<b>Profit before interest and depreciation</b>	0	212,284.80	214,407.65	216,551.72	218,717.24	220,904.00
<b>Equity</b>	200,000.00					
<b>Loan</b>	300,000.00	-	-	-	-	-
<b>Total Sources</b>	500,000.00	212,284.80	214,407.65	216,551.72	218,717.24	220,904.00
<b>Applications:</b>						
<b>Capital expenditure</b>	375,000.00	-	-	-	-	-
<b>working Capital &amp;Others</b>	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00
<b>Cash</b>	0	87284	89,407.00	91,551.00	93,717.00	95,904.00
<b>Tax</b>	-	54,077.94	55,794.79	57,518.02	59,247.67	60,983.80
<b>Sub total</b>	500,000.00	212,284.00	214,407.00	216,551.00	218,717.00	220,904.00
<b>Total applications</b>	500,000.00	212,284.00	214,407.00	216,551.00	218,717.00	220,904.00
<b>Accumulated cash</b>		87,284.00	176,691.00	268,242.00	361,959.00	457,863.00

### Appendix III

**FINANCING PLAN FOR ..... COMPANY LIMITED FOR  
NEXT 5 YEAR TERM**

	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>TOTAL</b>
<b>N Number of Trucks</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>30</b>
<b>Revenue (USD)</b>	<b>500,000</b>	<b>700,000</b>	<b>900,000</b>	<b>1,100,000</b>	<b>1,300,000</b>	<b>4,500,000</b>
<b>Debt (USD)</b>	<b>400,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>1,200,000</b>
<b>Self- Financing (USD)</b>	<b>600,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>1,800,000</b>