



**LUCKYCN INVESTMENT CO LIMITED**

**KIBAHA WAREHOUSE PROJECT**

**BUSINESS PLAN**

## Executive Summary

# LUCKYCN INVESTMENT CO. LIMITED

### **Gateway to Opportunity: Warehouse Rental Services in Tanzania**

LuckyCN Investment Co. Limited is a visionary leader in Tanzania's burgeoning business landscape. Nestled in Kibaha within the Coastal Region, our company is strategically poised to capitalize on the dynamic growth driven by progressive foreign policies. Our close proximity to Dar es Salaam, the epicenter of commerce with its vital port and infrastructure, further enhances our value proposition.

### **Our Core Offering**

At LuckyCN Investment Co. Limited, we specialize in Warehouse Rental Services, serving a diverse clientele of traders and individuals seeking secure and efficient storage solutions. Our flexible revenue model, based on leasing area, ensures a sustainable income stream.

### **Government-Led Infrastructure Advancements**

Tanzania's business environment is currently experiencing unprecedented growth, in part due to the government's visionary plans to modernize the Port of Dar es Salaam. This transformation enhances global competitiveness and aligns seamlessly with our mission. The benefits are two-fold as it empowers us to offer superior logistical support to businesses in the region while enhancing our own connectivity to global markets.

Furthermore, the expansion of the Morogoro Highway exemplifies the government's commitment to enhancing the nation's infrastructure. This project significantly reduces transportation costs and improves accessibility between Kibaha and Dar es Salaam, a development that bodes well for our operations.

### **Catalysts for Growth: The Standard Gauge Railway and Kwala Dry Port**

In addition to these transformative initiatives, the government's investment in the Standard Gauge Railway further amplifies our opportunities. This modern rail network revolutionizes freight transportation and offers us a robust logistical advantage, efficiently connecting our warehouses to national and regional markets.

A game-changer for our business is the newly constructed dry port at Kwala in Kibaha. This state-of-the-art facility significantly streamlines cargo handling, providing our clients with unrivaled convenience and efficiency. The Kwala Dry Port enhances our capacity to meet the diverse and growing needs of our customers, reinforcing our standing as a preferred partner in warehouse solutions.

## **A Solid Foundation for Future Expansion**

LuckyCN Investment Co. Limited stands on the precipice of growth, and we are dedicated to maximizing the abundant opportunities that the Tanzanian business landscape presents. We're strategically positioned to make the most of these prospects, with a core focus on leveraging the financial resources available to us.

Our commitment extends to harnessing the potential provided by financial institutions and government policies that actively encourage investment. These resources serve as catalysts for our expansion into even more lucrative areas, aligning seamlessly with our vision of becoming a pivotal player in the warehouse rental industry.

As we continue to transform the warehouse rental landscape in Tanzania, we extend an invitation to join us on this exhilarating journey. Your trust and partnership are integral to our vision of success, fortified by these strategic financial resources and government initiatives that amplify our growth prospects.

## Contents

Executive Summary .....	2
Business Overview .....	5
Sales and Marketing .....	8
Operations and Management .....	10
FINANCIAL PLAN .....	15
RELEVANT GRAPHS & ILLUSTRATIONS .....	19
Financial ratios .....	22

## Business Overview

### Strategic Excellence in Warehouse Services

#### *Goals*

LuckyCN Investment Co. Limited sets ambitious goals for the next three years. We are dedicated to achieving unprecedented levels of efficiency, effectiveness, organization, and timeliness. Our commitment to these objectives forms the bedrock of our business strategy.

#### *The Market*

Situated in Kibaha, within Tanzania's Coastal Region, we operate in a marketplace energized by progressive foreign policies and the nation's evolving infrastructure. This vibrant market offers immense potential for growth.

#### *Target Audience*

Our services primarily target farmers and traders who face the persistent challenge of inadequate and unsuitable storage facilities. We aim to be the solution to their pressing need for reliable storage services.

#### *Products and Services*

Our comprehensive suite of services includes:

- Bulk Floor Storage: Offering expansive storage for larger consignments.
- Palletized Rack Storage: Providing efficient and organized vertical storage solutions.
- Inventory Control: Implementing cutting-edge systems to manage and monitor inventory effectively.
- Monitored Alarm System: Ensuring utmost security for stored goods.
- Container Loading or Unloading: Streamlining the transportation process.
- Route to Market: LuckyCN Investment Co. Limited enjoys an advantageous location near Dar es Salaam and key transportation hubs. We connect seamlessly to both domestic and international markets via well-developed road and rail networks.

### *Services Offered*

Beyond storage, we offer comprehensive logistics and support solutions. Our aim is to optimize the entire supply chain, ensuring the efficient movement of our customers' goods.

### *Customer Focus*

Customer satisfaction remains at the forefront of our business. We are dedicated to providing personalized, top-tier service that caters to our clients' specific requirements, fostering lasting relationships.

### *Management Team*

Our management team comprises seasoned professionals with extensive experience in logistics and warehouse management. Their dedication and expertise are instrumental in driving the company's success and future growth.

### *Success Factors*

The success of LuckyCN Investment Co. Limited is underscored by our strategic location, robust financial support from banks, and favorable government policies that actively promote investment. Our unyielding commitment to professionalism, efficiency, and customer-centric operations is central to our achievements.

## Financial Highlights

Our financial projections demonstrate the promise of LuckyCN Investment Co. Limited: *in "000"*

<b>Financial Summary</b>	<b>FY 1</b>	<b>FY 2</b>	<b>FY 3</b>	<b>FY 4</b>	<b>FY 5</b>
<i>Revenue</i>	TZS 1,420,502	TZS 1,955,380	TZS 2,729,662	TZS 3,517,784	TZS 4,324,361
<i>Total Expenses</i>	TZS 820,083	TZS 998,220	TZS 1,407,347	TZS 1,775,356	TZS 1,980,855
<i>EBITDA</i>	TZS 580,420	TZS 977,804	TZS 1,292,955	TZS 1,483,792	TZS 1,903,950
<i>Depreciation</i>	TZS 17,850	TZS 17,850	TZS 17,850	TZS 17,850	TZS 17,850
<i>EBIT</i>	TZS 562,570	TZS 960,954	TZS 1,275,105	TZS 1,465,942	TZS 1,886,100
<i>Interest</i>	TZS 15,354	TZS 13,344	TZS 11,524	TZS 9,576	TZS 7,668
<i>Pre Tax Income</i>	TZS 547,216	TZS 947,610	TZS 1,263,581	TZS 1,456,366	TZS 1,878,432
<i>Income Tax Expense</i>	TZS 196,006	TZS 338,724	TZS 452,882	TZS 601,107	TZS 811,805
<i>Net Income</i>	TZS 351,210	TZS 608,886	TZS 810,699	TZS 855,259	TZS 1,066,627
<i>Net Profit Margin</i>	25%	31%	31%	32%	35%

## Sales and Marketing

### Strategic Outreach and Value-Driven Propositions

#### *Value Proposition*

LuckyCN Investment Co. Limited prides itself on offering unparalleled storage solutions tailored to the needs of our customers, predominantly farmers and traders. Our value proposition lies in delivering efficiency, organization, and timely service. We provide flexible storage options including bulk floor storage, palletized rack storage, and advanced inventory control. Additionally, our monitored alarm system ensures the highest level of security for stored goods, while our container loading or unloading services streamline transportation processes. We aim to be the trusted partner in warehouse solutions, alleviating the persistent challenge of inadequate storage facilities faced by our target audience.

#### *Marketing Strategies*

- Digital Presence and Advertising:

Leverage targeted online advertising campaigns, social media platforms, and a user-friendly website to reach our audience. Display our value proposition and testimonials from satisfied clients to build credibility.

- Industry Partnerships:

Collaborate with agricultural associations and trading groups to showcase our tailored solutions at relevant industry events, conferences, and trade shows.

- Local Community Engagement:

Organize community events, workshops, or sponsor local farmers' markets to create brand awareness and foster strong community relationships.

- Referral Programs:

Implement a referral program encouraging our satisfied customers to refer other businesses and offering incentives for successful referrals.

- Content Marketing:

Create informative blogs, videos, and case studies highlighting the benefits of proper storage solutions for farmers and traders, positioning our business as a thought leader in the industry.

## *Industry Trends and Competitor Analysis*

The warehousing industry in Tanzania is witnessing a rising demand for storage solutions due to the thriving agricultural and trading sectors. Customer needs revolve around secure, organized, and accessible storage options. Key competitors in this space include established warehousing companies and smaller local storage providers. We differentiate ourselves by combining advanced technology for efficient inventory management, personalized customer service, and strategic locations near vital transportation hubs.

## *Ideal Customer Description and Positioning*

Our ideal customer is a forward-thinking farmer or trader in Tanzania, seeking reliable storage options to safeguard their produce and goods. They value efficiency, security, and flexibility in managing their inventory. LuckyCN Investment Co. Limited positions itself as the trusted partner for storage, offering a modern, secure, and cost-effective solution to meet their specific needs. We present ourselves as the dependable provider that understands the pulse of the industry and the unique challenges faced by our customers, thereby providing tailored, innovative storage solutions.

## *Setting Ourselves Apart from Competitors*

We distinguish ourselves through a combination of cutting-edge technology, personalized customer service, and strategic infrastructure placement. Our commitment to efficiency, security, and flexibility in warehousing solutions sets us apart. Additionally, ongoing engagement and communication with our customers enable us to adapt to evolving needs, ensuring we remain at the forefront of the industry.

## Operations and Management

### Efficient Processes and Expert Team for Success

#### *Delivering the Product or Service*

Our operations at LuckyCN Investment Co. Limited are founded on efficiency, quality control, and customer-centric processes. We deliver our warehouse rental services through a well-structured approach that includes bulk floor storage, palletized rack storage, inventory control, monitored alarm systems, and container loading or unloading. Our dedicated team and advanced inventory management systems ensure the seamless handling and monitoring of our customers' goods.

#### *Quality Control*

Maintaining high-quality service delivery is paramount to our operations. To uphold this, our Warehouse Manager, Inventory Manager, and Warehouse Associates collaborate meticulously to ensure all stored goods are kept in optimal condition. Regular inspections, advanced inventory control software, and security systems guarantee the safety and integrity of our customers' items.

#### *Inventory, Suppliers, and Customers Management*

Our Inventory Manager is responsible for optimizing inventory levels and managing relationships with suppliers. We have established trusted partnerships with suppliers to guarantee the availability of essential storage materials and resources. Additionally, our Sales Representatives and Head of Marketing liaise with customers, ensuring their specific needs are met, and we provide consistent and open communication channels for customer feedback and inquiries.

## Organizational Structure

Our organizational structure reflects our commitment to efficiency and customer-centric operations. It comprises dedicated individuals, each contributing their expertise to the business. Key roles include:

- **Warehouse Manager:** Oversees all warehouse operations, including staff management and ensuring the security of stored goods.
- **Inventory Manager:** Manages inventory levels, oversees supplier relationships, and ensures the availability of resources.
- **Administrative Assistants (2 to start):** Support the administrative and customer service aspects of the business.
- **Chief Finance Officer:** Manages financial planning and budgeting, working closely with the Warehouse Manager to optimize cost-effective operations.
- **Head of Marketing:** Develops and executes marketing strategies, ensuring brand recognition and customer engagement.
- **Warehouse Associates (6 to start):** Execute day-to-day warehousing tasks, including loading/unloading, organization, and inventory control.
- **Sales Representatives (2 to start):** Engage with potential clients and assist in onboarding customers.
- **Security Staff (2 to start):** Ensures the safety and security of the warehouse facilities and the goods stored within.

## *Lines of Communication*

Open and efficient lines of communication are integral to our operations. We foster a culture of collaboration and transparency. The Warehouse Manager serves as the central point of contact for all warehouse-related matters. The Inventory Manager communicates closely with suppliers. Administrative Assistants facilitate customer inquiries and support various administrative tasks. The Chief Finance Officer oversees financial communication, and the Head of Marketing coordinates marketing strategies and promotions. The Warehouse Associates, Sales Representatives, and Security Staff maintain fluid communication with the Warehouse Manager and relevant teams.

## *Administrative Functions*

- **Bookkeeping:** Our Chief Finance Officer is responsible for financial planning, budgeting, and maintaining accurate financial records. Sound financial management is vital for the long-term success of the business.
- **Marketing:** The Head of Marketing designs and executes marketing strategies, ensuring our services are promoted effectively to the target audience and raising brand recognition.
- **Website and Social Media Maintenance:** We maintain an active online presence through website updates and engaging with our audience on social media platforms to keep customers informed and engaged.
- **Customer Service:** Our dedicated Administrative Assistants play a key role in delivering excellent customer service, responding to inquiries, resolving issues, and ensuring a seamless experience for our clients.
- **Hiring and Training Staff:** As we scale, hiring and training staff efficiently are pivotal to our operations. The Warehouse Manager and Administrative team work in tandem to recruit and onboard new team members.
- **General Maintenance Functions:** Keeping our facilities well-maintained is essential. General maintenance functions are managed by our Warehouse Manager and Associates, ensuring a safe and efficient environment.

## Inventory and Warehouse Functions

- **Stock and Organize Products:** Warehouse Associates are responsible for the efficient stocking and organization of goods. Their meticulous work ensures goods are easily accessible.
- **Count Inventory for Accuracy:** Regular inventory counts are conducted by our Inventory Manager to maintain accuracy and prevent discrepancies.
- **Keep Warehouse Clean and Organized:** Cleanliness and organization are top priorities. Warehouse Associates and the Warehouse Manager collaborate to uphold these standards.
- **Inspect Products Often to Ensure Quality:** Regular product inspections guarantee the quality and condition of stored items, preserving their integrity.
- **Maintain Temperatures in Refrigerated and Climate-Controlled Facilities:** In facilities with specific temperature requirements, our Warehouse Manager ensures that the climate control systems are running optimally to maintain ideal conditions.
- **Provide Excellent Customer Service:** Customer service is a cross-functional responsibility, with both Administrative Assistants and Warehouse Associates ensuring that customer needs are met throughout their interactions with our business.
- **Accept and Mail Out Parcels for Clients:** We provide the additional service of parcel handling, accepting and mailing parcels on behalf of our clients, simplifying their logistical needs.

### Inventory Control

Our Inventory Manager employs advanced inventory control software to monitor and manage the inflow and outflow of goods. This system not only ensures accuracy but also provides real-time data on stock levels, which is crucial for optimizing storage space and order fulfillment. The Inventory Manager collaborates closely with our Warehouse Manager to maintain a well-organized and efficient storage environment.

### Supplier Relations

Supplier relations are of utmost importance to our operations. Our Inventory Manager, supported by the Chief Finance Officer, cultivates strong partnerships with suppliers to secure timely deliveries and favorable pricing for essential storage materials, equipment, and resources. The efficiency of our supply chain management directly contributes to the seamless operation of our warehouses.

### Customer Engagement and Support

Customer satisfaction is at the core of our operations. Our Sales Representatives work closely with prospective clients to understand their storage requirements, provide tailored solutions, and facilitate onboarding. Our Administrative Assistants offer timely and friendly customer support, addressing inquiries and assisting clients with administrative matters. Continuous feedback channels are in place to ensure that we maintain open lines of communication with our customers, addressing any concerns promptly.

### Security Measures

Ensuring the safety and security of our clients' goods is non-negotiable. Our Security Staff, along with the monitored alarm system, maintains round-the-clock vigilance. Access control, surveillance, and alarm systems are in place to safeguard stored items, providing peace of mind to our customers.

### Flexibility in Staffing

As our business grows, we maintain the flexibility to scale our operations, including staffing, in response to demand. This adaptability is essential for maintaining efficient operations while aligning with market fluctuations and trends.

## FINANCIAL PLAN

### Monthly Income and Expenses - Current

Month	Revenues (TZS)	Cost of Goods Sold (TZS)	Lease (TZS)	Marketing (TZS)	Salaries (TZS)	Other Expenses (TZS)	Net Profit (Loss) (TZS)
<b>Current Month</b>	TZS 53,550,000	TZS 12,285,000	TZS 12,750,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 7,948,000

### 12-Month Financial Plan

Month	Revenues (TZS)	Cost of Goods Sold (TZS)	Lease (TZS)	Marketing (TZS)	Salaries (TZS)	Other Expenses (TZS)	Net Profit (Loss) (TZS)
<b>Month 1</b>	TZS 53,550,000	TZS 12,285,000	TZS 12,750,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 7,948,000
<b>Month 2</b>	TZS 58,927,000	TZS 13,227,000	TZS 12,633,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 9,019,000
<b>Month 3</b>	TZS 65,036,000	TZS 14,566,000	TZS 12,907,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 12,251,000

<b>Month 4</b>	TZS 71,729,000	TZS 16,095,000	TZS 13,180,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 16,196,000
<b>Month 5</b>	TZS 78,938,000	TZS 17,990,000	TZS 13,454,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 21,274,000
<b>Month 6</b>	TZS 86,043,000	TZS 19,274,000	TZS 13,727,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 24,692,000
<b>Month 7</b>	TZS 94,472,000	TZS 20,467,000	TZS 14,000,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 31,254,000
<b>Month 8</b>	TZS 103,836,000	TZS 22,097,000	TZS 14,273,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 38,797,000
<b>Month 9</b>	TZS 113,803,000	TZS 24,478,000	TZS 14,545,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 50,106,000
<b>Month 10</b>	TZS 124,955,000	TZS 26,645,000	TZS 14,818,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 62,036,000
<b>Month 11</b>	TZS 136,935,000	TZS 29,180,000	TZS 15,091,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000,	TZS - 77,628,000
<b>Month 12</b>	TZS 149,935,000	TZS 31,054,000	TZS 15,364,000	TZS 4,218,000	TZS 28,484,000	TZS 117,000	TZS - 90,190,000

## 5-Year Financial Plan

Year	Revenues (TZS)	Cost of Goods Sold (TZS)	Lease (TZS)	Marketing (TZS)	Salaries (TZS)	Other Expenses (TZS)	Net Profit (Loss) (TZS)
Year 1	TZS 214,200,000	TZS 49,350,000	TZS 50,000,000	TZS 16,750,000	TZS 119,733,000	TZS 4,875,000	TZS - 80,431,000
Year 2	TZS 471,654,000	TZS 103,956,000	TZS 49,950,000	TZS 21,750,000	TZS 130,212,000	TZS 5,170,000	TZS 83,568,000
Year 3	TZS 518,784,000	TZS 103,977,000	TZS 50,202,000	TZS 21,750,000	TZS 144,099,000	TZS 5,715,000	TZS 79,583,000
Year 4	TZS 572,079,000	TZS 112,464,000	TZS 50,865,000	TZS 21,750,000	TZS 160,191,000	TZS 6,015,000	TZS 110,210,000
Year 5	TZS 621,916,000	TZS 126,688,000	TZS 53,406,000	TZS 21,750,000	TZS 189,120,000	TZS 6,885,000	TZS 144,693,000

## Breakeven

The breakeven point is reached in Year 3, where the Net Profit is TZS 0, and the business starts to generate profits. Before Year 3, there is a net loss.

### *Future Big Expenses*

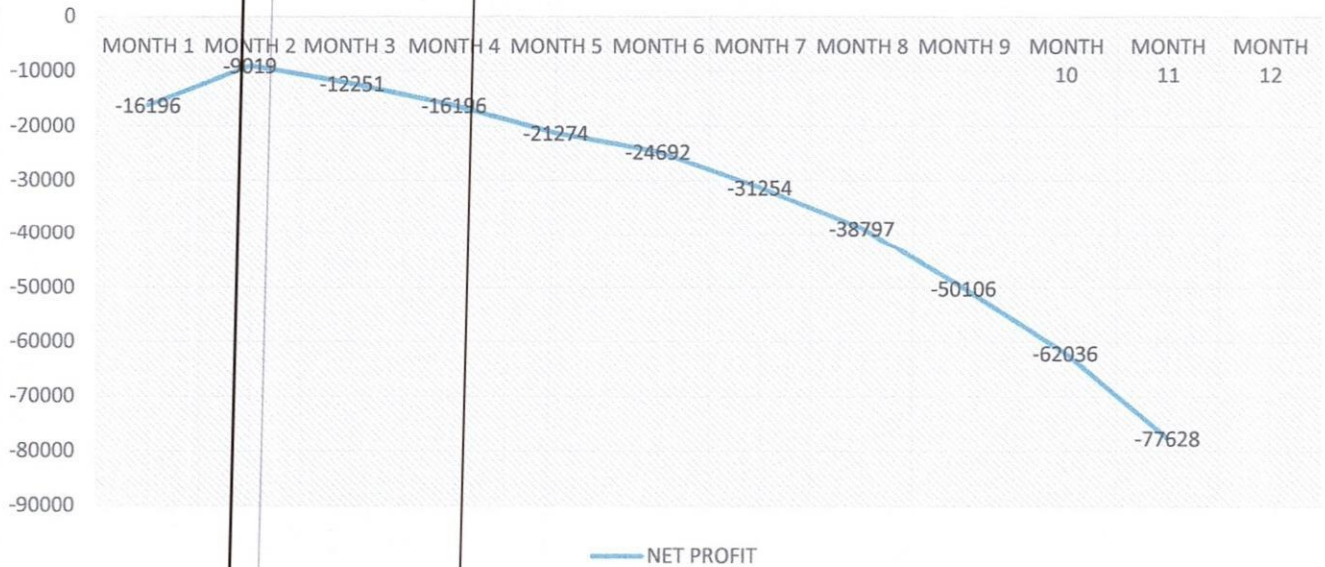
In Year 1, the most significant expense is for the warehouse design/build at TZS 255,000,000. In Year 2, you'll spend TZS 127,500,000 on vehicles and machinery purchase and maintenance, and TZS 63,750,000 on equipment and supplies. These are the key expenses required for the business launch and growth.

# RELEVANT GRAPHS & ILLUSTRATIONS

## 12 MONTHS REVENUE TREND



## NET PROFIT



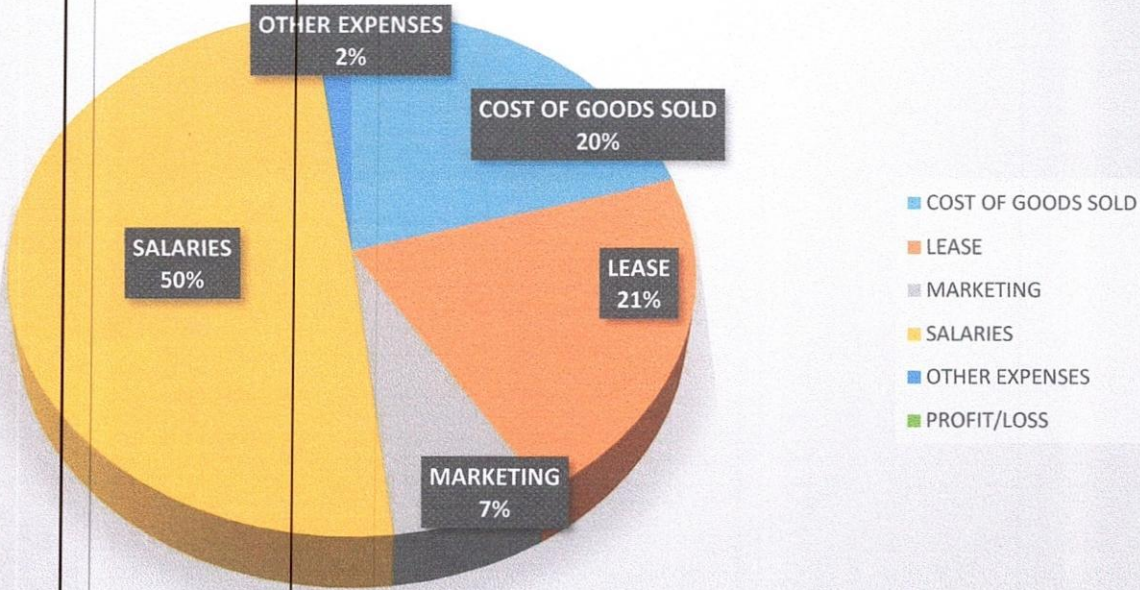
## 5 YEAR REVENUE TREND



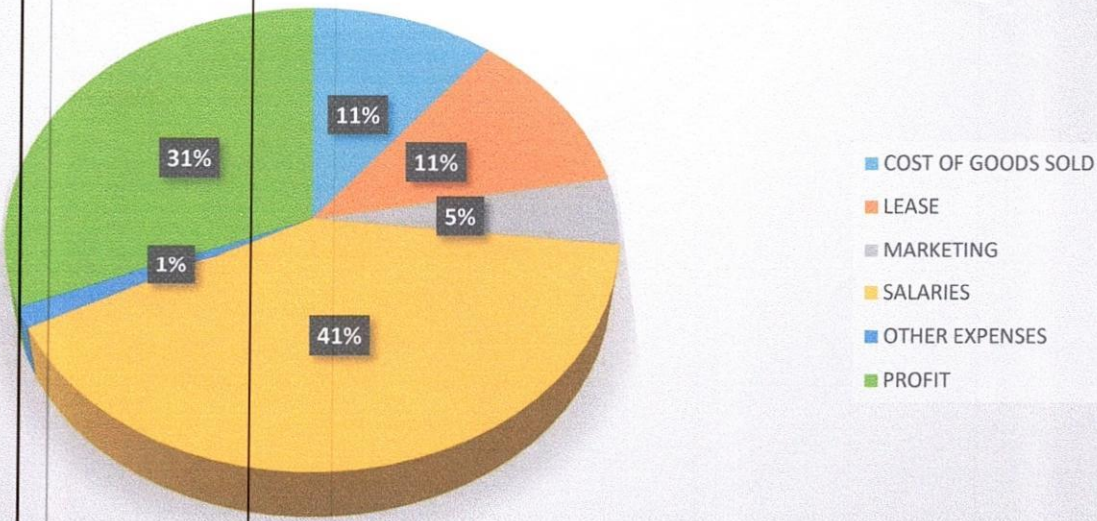
## 5 YEAR PROFITABILITY TREND



### YEAR 1 FINANCIAL OUTLOOK



### YEAR 5 FINANCIAL OUTLOOK



## Financial ratios

### *Liquidity Ratios:*

#### **Current Ratio:**

Year 1: 1.04

Year 2: 1.23

Year 3: 1.37

Year 4: 1.49

Year 5: 1.61

#### **Quick Ratio (Excluding Inventory):**

Year 1: 0.05

Year 2: 0.23

Year 3: 0.29

Year 4: 0.35

Year 5: 0.42

### *Profitability Ratios:*

#### **Gross Profit Margin:**

Year 1: 22.98%

Year 2: 21.95%

Year 3: 20.00%

Year 4: 19.02%

Year 5: 18.91%

#### **Net Profit Margin:**

Year 1: -31.89%

Year 2: 15.05%

Year 3: 13.00%

Year 4: 16.30%

Year 5: 19.40%

*Efficiency Ratios:*

**Inventory Turnover:**

Year 1: 3.50

Year 2: 3.50

Year 3: 3.50

Year 4: 3.50

Year 5: 3.50

*Debt Ratios:*

**Debt to Equity Ratio:**

Year 1: -4.07 (indicates negative equity)

Year 2: 0.12

Year 3: 0.05

Year 4: 0.03

Year 5: 0.02

**Interest Coverage Ratio:**

Year 1: N/A (negative earnings)

Year 2: 4.86

Year 3: 6.88

Year 4: 12.21

Year 5: 19.88

Please note that some of these ratios are not applicable in Year 1 due to negative earnings and a negative equity situation. These ratios provide insights into our business's financial health, liquidity, profitability, efficiency, and leverage.