

# WAM LOGISTIC (T) Limited BUSINESS PLAN



OWNER:  
WAM LOGISTIC (T) LIMITED  
P.O.BOX 36272  
**DAR ES SALAAM**  
MOBILE: +255 742810810/0757798900  
**DAR ES SALAAM**

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# Executive Summary

- Transport and logistics vital to economy and synonymous with increase in GDP due to its direct link to other industries.
- Tanzania five-year plan shows plans of improvement in infrastructure and roads.
- Introduction of advanced software and meticulous follow up to improve efficiency increase transparency and set us apart.
- Due to location Tanzania benefits from Transit trade however due to lack of efficient delivery times not always selected as first choice over Mombasa port, (Use of software may help decrease wait times)
- Eventually increase fleet and expand into other services in logistics.

# Company Overview

WAM LOGISTIC (T) LIMITED, is registered by the BUSINESS REGISTRATION AND LICENSING AGENCY (BRELA) and incorporated under companies Act, 2002 dated 08th, November 2022 with a CERTIFICATE OF INCORPORATION NUMBER 158794985.

The company was formed to efficiently carry out various logistics activities aided by IT software initially starting with freight transport by road with a fleet of 20 HOWO 371HP Tractor Truck, but in due time expanding into sea and coastal freight water transport, warehousing and storage, cargo handling, courier activities, wholesale on fee or contract basis, wholesale of agricultural raw materials and live animals.

## Industry Analysis

In our increasingly globalized and networked economy depends on the swift and timely transportation of goods from manufacturing places to market areas (Gidado, 2015). Tanzania's transport sector contributed to 8.1% of the country's GDP in 2018 USD 3.8 billion compared to USD 2.8 billion in 2014, representing an increase in 33%. The leading growth drivers include the rising number of commuters carried and freight handled through road transport (Tanzaniainvest). Furthermore, road transport is currently the most-commonly used form of transport in Tanzania, moving over 90% of passengers and 75% of freight traffic in the country (Tanzaniainvest).

According to Zoom info, the top five key suppliers within the logistics industry in terms of revenue are:

Company name - Freight Forwarders Tanzania Ltd

Industry – Freight & Logistics Services, Transportation

Location – Dar es Salaam, Tanzania

Employees – 90+

Revenue - \$57.7m

Company name – CMTL Group

Industry – Freight & Logistics services, Transportation

Location – Dar es Salaam, Tanzania

Employees – 200+

Revenue - \$19.4m

Company Name – Bravo Logistics Ltd

Industry – Freight & Logistics Services, Transportation

Location – Dar es Salaam, Tanzania

Employees – 50+

Revenue - \$13m

Company Name – BNM Freight Forwarders Company Limited

Industry – Freight & Logistics Services, Transportation

Location – Dar es Salaam, Tanzania

Employees – 80+

Revenue - \$12.8m

Company Name – Ruru Company Limited

Industry – Freight & Logistics Services, Transportation

Location – Dar es Salaam, Tanzania

Employees – 50+

Revenue - \$12m

The Tanzanian Government allocated a large amount of funding Implementing Tanzania Five Years Development Plan (FYDP 111) 2021/22 – 2025/26 which aims to build a competitive and industrial economy for human development as follows:

- Stimulating a competitive pricing economy.
- Strengthening industrial production and service delivery capacity.
- Business promotion and investment.
- Stimulating human development.
- Human resource development.

Dar es Salaam port, owned by the Tanzania Ports Authority, is Tanzania's principal port, with a rated capacity of 4.1 million tons dry cargo and 6.0 million tons bulk liquid cargo (Tanzania Ports Authority 2017). Improved efficiency at the port can lead to additional tonnage of imports and exports. As a matter of fact, the volume of cargo has continued to record an upward trend, in part due to a rise in the use of information systems. The port handles almost all of Tanzania's international trade cargo and serves its landlocked neighboring countries of Malawi, Zambia, Rwanda, Burundi, The Democratic Republic of Congo and Uganda. Through two railway systems and road networks and a pipeline in the case of Zambia, these countries are connected to the port. Tanzania benefits significantly from transit trade, serving as a potential driver of economic growth, welfare and local enterprise development. This highlights the indispensable role of the government in promoting transit trade in the country (Kweka and Michael, 2019, THE CONTRIBUTION OF THE LOGISTICS TO THE ECONOMIC GROWTH: EVIDENCE FROM TANZANIA (2007 - 2016). However, the delay in cargo clearance and the resultant congestion at the port of Dar es Salaam has become a matter of serious concern to all users of the port (Raballand et al. [2012](#), Daudi [2010](#), Kunaka et al. [2016](#), The role of information systems usage in enhancing port logistics performance: evidence from the Dar Es Salaam port, Tanzania).

Tanzania's national development strategy emphasizes that extensive and efficient infrastructure is critical to ensure the effective functioning of the country's economy and so therefore investments in the road network are some of the government's top priority (Tanzania Invest).

The Transport and Logistics Industry is among the large contributing industries in the country's national economic development. This is because other significant sectors such as international trade, manufacturing industry, agricultural, mining and others are highly dependent on the Transport and Logistics industry (Comparative Study of Logistic Industry of Tanzania and Turkey). The industry provides significant macro contributions to national economy by creating employment, national income and foreign investment influx. On the micro scale, the industry is key in increasing the competitive power of corporations (Sezer and Abasiz, 2017, from report: The

Contribution of the Logistics to The Economic Growth: Evidence from Tanzania (2007 -2016).

All in all, Logistics has become an enormously important component of the gross domestic product (GDP) of industrialized nations and thus affects the rate of inflation, interest rates, productivity, energy costs and its availability to other aspects of the economy as well (Hertz & Alfredsson, 2003, from report: The Contribution of the Logistics to The Economic Growth: Evidence from Tanzania (2007 -2016). Consequently, the efficiency and reliability of the logistics system affects economic of logistics systems affects economic productivity which is the most important determinant of economic performance.

## Customer Analysis

## Competitive Analysis

Inevitably, we will face strong competition from other Logistics and Transport companies and even more so with the development of the Standard Gauge Railway. Therefor we must strategically prepare for competition including price-based competition. We aim to be amongst the top providers in logistics solutions by constantly innovating our operations and ensuring the availability of modern logistics and facilities in-order to meet the increasing demand. Below listed are our competitive advantages:

- A key advantage for our company is the use of modern software and transportation equipment to engage in fast and high-quality logistics services.

- The long experience of the shareholders and investors along with close working team will allow expertise to be shared, and consistent quality practices to be maximized.
- Also, the good reputation and already broad and strong network of the investors will greatly help in presenting a good company image from the beginning and make reaching out to potential customers that much smoother.
- Additionally, our competent and enthusiastic team ensures to provide consistent high-quality service along with the backing of reputable shareholders and investors, will surely increase customer loyalty.

## Pricing Strategy

Although we intend to compete with our competitors through quality of service and not so much price. It is worth mentioning that we will operate using a cost-plus pricing strategy with due care to market forces. Very narrow margins will be added to the cost to deliver our services and we will focus on delivering consistent top quality reliable services to maximize volume. This will also help us in entering the market.

## Key Success Factors

Our key success factors and positioning strategies are set out below:

- Implementation of Information Technology and the Digitalization of Management in order to centralize all aspects of the operation, minimize human error, create transparency and streamline the processes.
- Favorable trade discounting policy.
- Just In Time (JIT) delivery.
- Availability of various transportation equipment.
- In future increasing our fleet and venturing into other aspects of logistics to become a one stop shop for logistics and transportation needs.

# Marketing Plan

## Demand

The demand for logistics business due to its relation to all other sectors keeps growing day by day as a result of the growth of population, the growth of economic activities in the African Market, and the growth of per capital income. Furthermore, the demand for adequate infrastructure to support all logistics operations and especially the issues with congestions at the port is very present. Information systems constitute one of the solutions for addressing the challenges that occur in many processes that are important for the economic development of a country (Pierson and Harner, 2006, paper ). Information systems gather, supply, arrange and use information to ensure the efficiency and effectiveness of a organisation's operations (same source as previous). Nowduri (2011) states that information systems enable management to quickly make decisions about different issues in the organization. These information systems have become important in logistics services and entail a significant tool in reducing costs and effectively serving clients through better customization of the service provided (Salin, 2000, last paragraph all from same literature).

## Product

As a company we intend to initiate operations as carriers specializing in smart and efficient freight transport by road with the aid of software. However, in future and once established we will branch out into various other logistics services such as sea and coastal freight transport, warehousing and storage, cargo handling, wholesale on fee or contract basis and wholesale of agricultural materials.

## Pricing

In terms of pricing, as stated previously we will operate using a cost-plus pricing strategy only adding very narrow margins and instead putting all our focus on delivering an exceptional and reliable service every time, thus increasing volume and customer loyalty.

## Marketing Strategy

When it comes to marketing, we will firstly use the strong network of our investors to promote the business and potentially obtain contracts from the many businesspeople they are familiar with. We will cross promote with the other companies the founders are involved in to tap in their customer base.

The Company will also be listed on various business directories such as 123 Tanzania, Tanza Pages and Tanzania National Commercial Directory among others and we will attend relevant trade and fair expos in order to showcase our software and how it will greatly improve our services both from our standpoint as well as the customer's.

Moving forward we will work on establishing an online presence through having a clean and easy to use website and being on various platforms such as LinkedIn, Instagram and Facebook. Following on from this we will implement various social media management techniques such as using paid ads through Google, LinkedIn and Instagram, tracking data activity through web analytics as well as gradually improving our Search Engine Optimization (SEO). This is not a one-time process and will need continuous work which will be done with an outsourced marketing company. Although the nature of our business does not necessarily have a huge customer base who look for services online, in the increasingly digital world we live in, it is a must to have an up-to-date online presence.

All in all, it is well known that the best form of marketing is through word of mouth. Therefore, ensuring we can be trusted through being consistently transparent, timely and reliable will be crucial to the long-term success of our company. This will not only maintain and enhance the reputation of our investors and shareholders, that of which will help us attain our original customers, but create a high customer satisfaction, resulting in repeat customers, increased customer loyalty and subsequently good word of mouth marketing.

## Operations Plan

### Everyday short-term processes

In order to maintain a high level of standard, the team will meet regularly and communicate through group chats daily discussing challenges faced through the day's operations and any changes of plan for the next working day. We will pay great

attention to detail to all the different variables that may affect our operations and regularly input relevant data into our software to always be up to speed with what's going on without having to make several calls. This way we will feel confident in giving answers to any questions from customers regarding the progress of their deliveries to give them peace of mind.

## Long-term goals

In order to facilitate operations, the company will initially start by importing 20 units of brand new HOWO 371HP Tractor Trucks along with 20 units 3 Axle Flat trailer spring tire, however with continuous growth we intend to have 200 trucks within the next five years. As previously stated, we will start with carrier logistics activities specifically freight transport by road, nonetheless God willing we grow continually and within the next five years we will branch out to other areas of logistics such as warehousing, sea and coastal freight transport, cargo handling, wholesale on fee or contract basis and wholesale of agricultural raw materials and live animals.

## Management Team

The company, from the shareholders to the leadership team come from a diverse background from various parts of the world including China, India and The UK and have several years of experience in logistics activities such as cargo clearing and forwarding as well as other industries. Furthermore, the shareholders have a vast network of professionals and businesspeople from different background who with their good reputation can access either for business relations or for assistance in areas they may be more familiar with.

We will initiate with 25 employees, 3 of which are foreigners and whose paperwork are being finalized. Soon, with the correct implementation of our long-term plan, we aim to get these numbers to 200 local employees with 5 foreigners.

# Benefits to the Economy

The company, planned to invest in Tanzania to see a profit but at the same time since two of the three shareholders are of a Tanzanian background, to also positively impact the local economy.

Operations will create employment; the company will need drivers for all the trucks and maintenance people to make sure they have no issues and are ready to go all year round. Furthermore, those employees will more than likely have families they are supporting through working with us. The trucks will use huge amounts of fuel to complete operations throughout the year which of course further supports the local economy. Also, the company as well as the employees will be paying Tax and NSSF. On a bigger picture we hope with further adjustments and better practices using our software we hope we can influence more efficient practices in all aspects of logistics but more specifically reduce the issues of delays with cargo clearance and thus make the Dar es Salaam port the first port of choice for international cargo in East Africa.

# Contingency Plans

## FORESEEN RISKS:

Due to the reality that, the business will operate in the fragile economy of the world which is still facing COVID 19 PENDING and war between Russia and Ukraine, thus the business is unavoidably subject to different financial and operational risks some of which are analyzed as follows:

### 1. Competition

The industry we are in is not new and surely there will be competition from other business dealing in the same sector. Due to growing economy, new entrants are a constant threat and competition from existing expanding competitors.

### Remedies.

The company is prepared to face the competition by offering the best services to build good customer loyalty, we will also make sure that we provide modern logistics and transportation services in order to win customer interests and satisfaction.

## 2. Price Fluctuations.

This has currently marked a big problem; prices keep on rising and affect the business performance.

### Remedies.

Company strategy to overcome this risk will be to do business diversification into other areas of logistics as-well as using IT software and Just In Time to keep our processes as efficient as possible.

## 3. Introduction of SGR Transportation

There is rapid development of government of Tanzania to improve its transportation services.

### Remedies.

The company will be up to date on the issue of modern logistic and transportation equipment and shall respond to changes in demand promptly.

## 4. Loss of Key Staff:

The company has a policy of improving its staff welfare that will help to retain them.

