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# **RETAIL FOOD COMPANY**

## **BUSINESS PLAN**

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**BY ACCEPTANCE OF THIS DOCUMENT, THE RECIPIENT AGREES TO BE BOUND BY THE AFOREMENTIONED STATEMENT.**

## 1. Executive Summary

### 1.1 Company & Project concept

**Retail Food Company Tanzania Limited** is a limited liability Company incorporated in Tanzania under the Company Act of 2002 and is a sister company of Retail Food company Ltd based in Zambia which is fully operational with a footprint of 44 stores across Zambia and with a headcount of over 1,000 employees. **Retail Food Company Tanzania Limited (Hereinafter the company)** was incorporated on 26<sup>th</sup> August 2023 and bears a Certificate of Incorporation number 168050275. The Company owns rights to operate and expand various world-class Quick Service Restaurant (QSR) and fast-food brands in Tanzania/Zanzibar. The brands that fall under this company are Panarottis, Spur Steak Ranches, Roccomamas, Dairy Den and Fresh Bake. In 2024, additional brands such as Vida e Café and Nando's will be introduced. Each brand are International Brands that will offer the following services:

#### **Panarottis**

The brand is passionate about serving our affordable Italian style pizza. Our offering ranges from pizzas, pasta, and desserts at affordable prices. We cater for sit down, takeaway and delivery services. We are open for corporate events, meetings, team building and workshops. Our target market ranges from low to middle to high income earners with children as a huge contributor to the buying decision.

#### **Spur Steak Ranches**

We provide our customers with a warm, relaxed dining experience in a comfortable, family friendly environment. We are passionate about our food that we serve in these restaurants. Spur is our first family- oriented concept in Tanzania giving the customer complete value for money with our big portions of the best grilled ribs, steaks, & chickens, including our Burgers and the legendary Onion rings.

#### **Dairy Den**

As a family-oriented store, we're very focused on offering affordable products that taste great ranging from Soft-serve ice cream, donuts, and coffee. Our products are made with quality ingredients, and we want to give our customers a fun concept that puts a smile on their face with the variety of the products. The store

serves creamy soft serve ice cream of different flavours, milkshakes and a variety of fresh warm donuts with different toppings.

### **Rocomamas**

Rocomamas is a well-known fast-casual restaurant chain that specializes in gourmet burgers. The brand focuses on providing a unique dining experience with a menu centered around customizable burgers. Customers can choose from a variety of burger options, toppings, sauces, and sides to create their own unique combinations. The brand emphasizes the use of fresh ingredients, high-quality meat, and creative flavor combinations to deliver a memorable dining experience. One of Rocomamas' objectives is to cater to a wide range of tastes and dietary preferences which will include from a range of vegetarian to vegan burger options, as well as gluten-free buns. In addition to their gourmet burgers, Rocomamas also serves other items such as chicken wings, ribs, salads, milkshakes, and craft beers, providing a diverse menu to cater to various preferences.

### **Fresh Bake**

Our in-house bakery brand offering fresh bread and bread rolls. Confectionery products ranging from Muffins Donuts and Biscuits. The brand will offer world-class cakes and home-made pies as a favorite. The brand will also supply all brand specific fresh bread products to our stores on a daily basis.

We pride ourselves in having a standardized way of doing business with all brands sitting under one Franchisee which sets us apart from our competitors.

Our future expansion plans include the addition of the following brands:

### **Nando's**

Nando's is best known for its authentic PERi-PERi flame-grilled chicken, which has captivated guests the world over. All Nando's PERi-PERi recipes from the extensive range of restaurant chicken-bastings to sauces, spices and others, remain a closely guarded secret. We can cater for different kinds of people and groups to suit customer preferences.

This brand is popular worldwide.

## **Vida e caffè**

There is no coffee experience like Vida e caffè. The premium coffee brand is known for its authentic coffee, creative juices & wholesome food options, the Vida vibe & experience is one that can't be forgotten. Our stores will offer free Wi-Fi which allow for meetings over our coffees, juices, smoothies and a variety of our freshly prepared meals. The brand will offer both vegan and vegetarian meals in all Vida stores.

**The company's** offices will be located in Dar es Sallam Tanzania.

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. The company aims to become one of the market leaders in the Branded Q.S.R and Fast-Food market sector and grow their footprint and market share in all corners of the Tanzania/Zanzibar market and beyond the country; to become a Sub-Saharan Fast Food and QSR Business. In addition the company will focus on developing the local supply chain by working with the local suppliers.

### **1.2 Company Goals and Objectives:**

In Summary, the company aims to: -

- i. To provide Quick Service Restaurant and Fast-Food services in The United Republic of Tanzania/Zanzibar and other parts of Africa.
- ii. To prepare and implement Human Resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involvement.
- iii. Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors.
- iv. Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local requirements.

- v. Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts.
- vi. Ensure company focuses on the 3A's:
  - o Affordability – ensure that the products are always priced so that consumers can afford to eat at the outlets on multiple occasions.
  - o Availability – No Stock outs
  - o Accessibility – to open Fast-Food outlets that are accessible to all.
- vii. To develop the local supply chain by working closely with local suppliers and sharing Intellectual property details to enable them to develop such inputs.

## 2. Purpose of Business Plan

This document is prepared in compliance to meet the requirements for the formal registration of the company with the respective authorities that include the Tanzania Investment Centre and applications for Certificate of Incentives, Zanzibar Investment Promotion Authority, Business Registration and Licensing Agency in order to enable the company to proceed with the project of operating Quick Service Restaurants and Fast-Food in the United Republic of Tanzania.

## 3. The project promoter

RETAIL FOOD COMPANY TANZANIA LIMITED is owned by private individuals with the following shareholders percentages distribution as listed below.

NAME OF SHAREHOLDERS	NATIONALITY	NUMBER OF SHARES
Katen Parmar	Zambian	700
Jiten Lavingia	British	100
ARJUN ASHOK LAVINGIA	Tanzanian	100
SHYAM ASHOK LAVINGIA	Tanzanian	100

TOTAL NUMBER OF SHARES OF THE COMPANY = 1,000 Ordinary Shares		

#### 4. Intended investment Amount:

The initial investment amount is USD 500,000.00 (Five Hundred Thousand United States Dollars)/ TZS1,300,000,000 (One billion three hundred million Tanzania Shillings)

#### 5. Company Legality

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

#### 6. Project Organization Structure

The management of **RETAIL FOOD 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 company's goals and vision.

#### 7. Investment Structure

The project is estimated to cost a total approximation of Five Hundred Thousand United States Dollars (US\$ 500,000.00)/ (TZS1,300,000,000) which will increase from time to time. The money will cover working Capital, material importation and other company expenses. Additionally, a financial policy of the Company states that the profits generated will be re-invested.

#### 8. Purpose of Investment

This document is prepared for the sole purpose of company registration for Retail Foods Company Tanzania Limited to operate in the United Republic of Tanzania.

## **9. Summary of the Expected Economic Contribution**

Below is a list of expected economic contributions: -

- i. Increase direct employment opportunities in Tanzania.
- ii. Direct Domestic investment of more than USD 500,000/ TZS 1,300,000,000 within 2023 -2028
- iii. Increase tax contribution to the government.
- iv. Generate foreign currency.
- v. Development of local supply chain
- vi. Introducing International Brands in the market that will further attract International direct investments

## **10. Vision**

The company's vision is to be the market leaders in the Branded Q.S.R and Fast-Food market sector and grow their footprint and market share in all corners of the Tanzania/Zanzibar market and beyond the country; to become a Sub-Saharan Fast Food and QSR Business.

## **11. Operations**

The Company is finalizing acquisition of operational permits to start the implementation of its Quick Service Restaurants and Fast-Food services in Tanzania. Management will establish sound operating guidelines to conduct the day-to-day operations of the company.

## **12. Food and beverage Sector in Tanzania**

Tanzania like many African Countries is experiencing a population growth and changing consumption patterns that include the desire for fast foods and fine dining. The food and beverage market size in Tanzania is poised to report strong growth rate over the next few years due to increasing population, rising disposable incomes, coupled with changing trends and product innovations. The increasing number of restaurants, fast-food chains, and food delivery apps such as grub hub, caviar, and others enhance the availability to consumers, resulting in strong growth in the food and beverage industry. The food and beverage industry are one of the

most essential components of several economies across the world. Changing consumer lifestyles and consumer preferences, growing demand for fine dining, and evolving consumption and selling patterns are the key trends in the global market. Constantly shifting trends among the consumers is the primary factor shaping the strategies of Tanzania Food and Drinks companies. Change in lifestyles, growing demand for processed and ready to eat foods has increased among the consumers, which is boosting Tanzania's food and beverages market growth. The "Food and Beverages Market, Size, Share, Outlook and Growth Opportunities 2020-2026" research identifies that the competition continues to intensify year-on-year with emerging applications and widening product portfolio. This outlook presents great opportunity for Retail Foods Company Limited ([www.orbisresearch.com](http://www.orbisresearch.com))

### **13. Investment Justification**

Retail Food Company Limited objectives are in line with Tanzania Government efforts in attempt to create businesses that enhance employment creation whilst meeting the needs of the population.

The company's objectives are justified by the following facts: -

- The Company investment in the Quick Service Restaurant and Fast-Foods services will create the much-required opportunities for Tanzanian nationals.
- 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.

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

The investment will result into the following social and economic impacts:

- Create a healthy competitive environment in the QSR and Fast-Foods sector in the United Republic of Tanzania.

- The project will provide employment for people in Tanzania and training the employees to further improve their knowledge in the operations of the QSR and Fast-Foods industry.
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by the Company.
- Local companies will be encouraged to develop their products to supply the business so that there is less dependence on imports.

## **15. Industry Analysis**

### **15.1 Sales Literature, Sourcing and Technology**

#### **15.1.1 Sales Literature**

The company shall use different materials and trainings about their services to customers.

#### **15.1.2 Technology**

The company will invest in state-of-the-art equipment to be deployed in all the restaurants with an international appeal.

### **15.2 Competitive Edge**

The Company will have a rather bigger advantage from their competition due to the following reasons: -

- Management boasts of vast experience in the QSR and Fast Foods industry.
- Direct linkages with world renown franchises that would also benefit the rich tourism industry in Tanzania/Zanzibar

#### **15.2.1 Government Policy**

The Government of Tanzania has made the policy that promotes investment in all sectors of the economy including the Fast-Food industry. This sector appeals to Tourist and this helps develop the Tourism industry

### 15.2.2 Government Incentives package

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

### 16. Analysis of Strengths, Weaknesses, Opportunity, and Threats

Table below present the analysis of the company's Strengths, Weaknesses,

Opportunities and Threats (SWOTS):

<b>Strengths</b> <ul style="list-style-type: none"><li>• Availability of Markets</li><li>• Connection to stakeholders</li><li>• Signed Franchise agreements.</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>• Local Support</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>• Good government suitable facilitative policy.</li><li>• Government development of the sector and huge demand of the services.</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• Increment of inflation</li><li>• New entrants</li></ul>

### 17. Marketing Information

The company will employ qualified people to conduct the marketing of the business.

#### 17.1 Marketing Strategy

##### 17.1.1 Overview

The success of the company will be achieved by providing high quality services, providing friendly service, and employing an aggressive marketing plan to build customer traffic into the Fast-Food footprint. The Company will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts. Management will endeavor to create and maintain a positive, appealing image for the customers. This image will be consistently portrayed

throughout all marketing channels and sales promotions. The following exemplifies some of the tactics we will use to drive more sales and distribution.

### **17.1.2 Advertising**

The Company will adopt an aggressive advertising strategy which will include outdoor and changeable copy advertisement and elaborate design signage depends upon lease space restrictions; designed within allowable limits to achieve maximum exposure. The company will utilize both traditional non-traditional methods of advertising such as radio, newspaper, billboards, or television.

### **17.1.3 Costing and Pricing**

The costing and pricing are done by the management of the company. The costing takes into consideration various aspects depending on the cost which has already been incurred, inflation factor and Operating costs. The project promoters of the company are in business for long time i.e., they are business-oriented personnel and thus they are competent to ensure the pricing is implemented with maintainable costs and attractive profits.

### **17.1.4 Marketing Plan**

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

The short-term marketing plan includes:

- Building sustainable long-term relationships with customers, suppliers, and investors.
- Training of sales staff sales, and Marketing.

Long Term Plans includes:

- Investing in Market Research and Development
- Enter more lucrative franchises.

## 18. Management & Administration

### 18.1 Management

The management team of Retail Food Company Tanzania Limited planned to be constituted by the following management team: -

#### i. Board of Directors

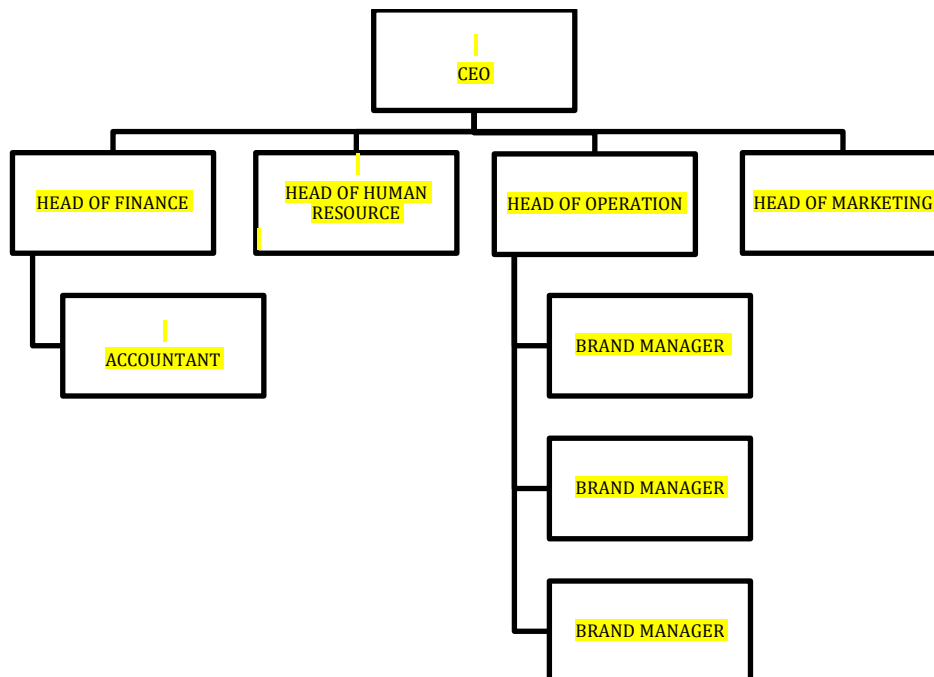
The company will be managed by the board of Directors which is the apex body for strategic decision making of the company in line with the resolutions from the shareholders.

#### ii. Managing Director

The Managing Director will be responsible for the overall management of the company.

#### Organization Structure

The **COMPANY** is planning to have the following organization structure.



#### iii. Job creation

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

years.

<b>Job Title /Year</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>
Country Manager	1	1	1	1	1	5
Finance Manager	1	1	2	2	3	9
Human Resource Manager	1	1	2	2	3	9
Sales Manager	1	1	1	2	2	7
Operations Manager	1	2	4	6	8	21
Operation staff	60	186	270	353	437	1260
<b>Grand Total</b>	<b>65</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>1311</b>

## Appendix I

### RETAIL FOOD COMPANY TANZANIA LIMITED COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5
Revenue	2,950,500.00	4,786,540.00	6,769,463.20	8,911,020.26	11,223,901.88
<b>Operating Expenses:</b>	2,555,807.50	4,032,481.72	5,553,456.17	7,120,059.86	8,733,661.66
<b>Profit before Depreciation &amp; Interest</b>	<b>394,692.50</b>	<b>754,058.28</b>	<b>1,216,007.03</b>	<b>1,790,960.40</b>	<b>2,490,240.22</b>
<b>Depreciation</b>	<b>93,750.00</b>	<b>146,750.00</b>	<b>199,750.00</b>	<b>252,750.00</b>	<b>305,750.00</b>
<b>Net Profit</b>	<b>300,942.50</b>	<b>607,308.28</b>	<b>1,016,257.03</b>	<b>1,538,210.40</b>	<b>2,184,490.22</b>
Tax (30%)	90,282.75	182,192.48	304,877.11	461,463.12	655,347.07
<b>Profit After Tax</b>	<b>210,659.75</b>	<b>425,115.79</b>	<b>711,379.92</b>	<b>1,076,747.28</b>	<b>1,529,143.15</b>
Accumulated Profit	210,659.75	635,775.54	1,347,155.46	2,423,902.74	3,953,045.89

## Appendix III

## Appendix II

### RETAIL FOOD COMPANY TANZANIA LIMITED COMPANY LIMITED PROJECTED CASH FLOW US\$

	0	1	2	3	4	5
<b>SOURCES:</b>						
<b>Profit before interest and depreciation</b>	0	394,692.50	754,058.28	1,216,007.03	1,790,960.40	2,490,240.22
<b>Equity</b>	500,000.00					
<b>Total Sources</b>	500,000.00	394,692.50	754,058.28	1,216,007.03	1,790,960.40	2,490,240.22
<b>Applications:</b>						
<b>Capital expenditure</b>	375,000.00	-	200,000.00	200,000.00	200,000.00	200,000.00
<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	269,692.50	429,058.28	891,007.03	1,465,960.40	2,165,240.22

<b>Tax</b>	-	<b>90,282.75</b>	<b>182,192.48</b>	<b>304,877.11</b>	<b>461,463.12</b>	<b>655,347.07</b>
<b>Sub total</b>	<b>500,000.00</b>	<b>394,692.50</b>	<b>554,058.28</b>	<b>1,016,007.03</b>	<b>1,590,960.40</b>	<b>2,290,240.22</b>
<b>Total applications</b>	<b>500,000.00</b>	<b>394,692.50</b>	<b>554,058.28</b>	<b>1,016,007.03</b>	<b>1,590,960.40</b>	<b>2,290,240.22</b>
<b>Accumulated cash</b>		<b>269,692.50</b>	<b>698,750.78</b>	<b>1,589,757.80</b>	<b>3,055,718.20</b>	<b>5,220,958.42</b>

### Appendix III

#### FINANCING PLAN FOR RETAIL FOOD COMPANY TANZANIA LIMITED FOR NEXT 5 YEAR TERM US \$

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
<b>Number of Stores</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>30</b>
<b>Revenue (USD)</b>	<b>2,950,500</b>	<b>4,786,540</b>	<b>6,769,463</b>	<b>8,911,020</b>	<b>11,223,902</b>	<b>34,641,425</b>
<b>Self-Financing (USD)</b>	<b>500,000</b>	<b>325,000</b>	<b>325,000</b>	<b>325,000</b>	<b>325,000</b>	<b>1,800,000</b>