

BUSINESS PLAN FOR PLASTIC CONTAINERS AND DETERGENT PRODUCTION FACTORY.

1.0 EXECUTIVE SUMMARY.

1.1 An overview of the Industry.

The detergent and plastic container making industry focus on the making of:-

- Laundry soap.
- Soap powder and the synthetic products which include House hold and Industrial detergents used for cloth and dish washing.
- Plastic Containers of different shapes and sizes.

Research; physical and online research shows that the East African Market, Tanzania included, have for the past five years experienced an average competitiveness. Also, the Market is flooded with imported products whose quality is questionable.

On soap and detergent, the market, of late is flooded with locally made products with low production cost, hence varsely affecting the market dynamics.

The soap, washing powder, detergent industry has a reliable market both within and outside Tanzania and a good part of the said market still remains untapped.

Most players in the Market are large Multiproduct Companies that do not specialize only on detergent production but also engage in the production of other food products like Flour, Cooking oils etc.

1.2 Company Profile.

ISRAA Company Limited; is a foreign Company Limited by shares; incorporated locally in the United Republic of Tanzania and given Certificate of Incorporation number 158277786

The Company is also duly registered with the Revenue Management Authorities, the T.R.A and is issued with Tax Payers Identification Number 158 – 277 - 786.

The Address of the Company is at:-

ISRAA COMPANY LIMITED

P.O. BOX

DAR ES SALAAM.

And its bankers Details are:-

THAT the Company does not yet have a Bank Account in Tanzania but intends to open one soonest.

And the name, Qualification of contact person is:-

Name: - AMIN ABDULLAH MOHAMMED ALI SOROUJI.

Telephone: - +255 (0) 742 335 600

Designation: -DIRECTOR.

1.3 The Product.

ISRAA Limited intends to run a standard Plastic, Soap and Detergent production and distribution Company. We intend to sell this product in all the 30 Regions of the United Republic of Tanzania and export outside the country.

The intended name for our product is BOSHRA.

Our mission and vision is to produce and sell a world class detergent brand with the ability to compete first within the United Republic and later on the world.

2.0 THE BUSINESS.

2.1 Structure.

Israa Company intends to hire only qualified hardworking and Customer Centric personnel to help in building a prosperous business.

These personnel are:-

- Chief Executive Officer.
- Plant Manager.
- Human Resource / Administrator Manager.

- Sales and Marketing Manager.
- Accounts and Finance.
- Logistics and Transport.

2.2 Size of factory

At start the Company intends to construct two main medium structures; namely a Factory and a Warehouse. But with projection of building more structures including Administration structures and other facilities.

2.3 Access to Raw Materials.

The raw materials for the processing the product shall mainly be imported from the United Arab Emirates and Turkey.

3.0 MARKET ANALYSIS.

3.1 Market Trend.

The current market trend is not certain and predictable. It is swarmed with products from both established business and domestic small entrepreneurs.

Whereas the large businesses rely on strategies like packaging and advertisement; the domestic, small scale businesses rely on networking and door to door sales.

Israa Company intends to adopt an eco-friendly approach towards both Production, Packaging and Marketing of its product.

Business will focus on environmental consciousness and excellent quality which will attract on its focused clientele.

Israa Company intends to focus on a special kind of clientele engaging in wholesale distribution.

3.2 Target Market.

Israa Company is focused selling its product in large quantities to

- Commercial Cleaning Companies.
- House Holds.

- Hospitals.
- Laundry Marts.

3.3 Competitive advantage.

Israa Company is already up and running operating in Sudan and Egypt.

That; the sister production Companies are doing well in the other countries hence, we intend to use the same expertise and skills in establishing and running the new business in Tanzania.

4.0 INVESTMENT COST AND FINANCING – BUDGET.

That the project has to meet the following costs:-

- Land Acquisition and Paper work Costs.
These include the acquisition and purchasing of a piece of land to lay out the Factory. The said land has to be located in a factory zone within Dar es Salaam Region or the regions nearby.

Ear marked locations for the said land are Kisemvule area of Mkuranga District and Kigamboni Area.

The Company has to engage in legal process of land acquisition, it being a foreign Company has to go through the authorities like the Tanzania Investment Centre (TIC).

These costs also go hand in hand with Company registration, State authority levies and fees like business registration and tax assessment.

- Building Factory, Warehouse and Office Buildings.
Also the cost of erecting the factory buildings and management buildings. These would involve architectural lay outs and construction Companies.
- Importation and Affixation of Machines.
The Factory requires both heavy and light machineries. Some could be acquired locally but others have to be imported from abroad.

Importation of machinery from outside the United Republic of Tanzania would attract suffrage and Custom and transport charges.

o Antecedent Costs

The establishment of the factory goes hand in hand with costs to employees and other payments to personnel and state fees.

4.1 Production and Revenue Projections.

Israa Company through its Soap detergent – NADA DETERGENTS, in the first Two Years projects a LOSS but thereafter PROFIT.

The Company intends to produce Soap Detergent worth Tanzanian Shillings ONE HUNDRED MILLIONS or slightly less than that and the volume of production is projected to grow symmetrically with the Market growth.

INVESTMENT BREAKDOWN

PARTICULAR	AMOUNTS USD
Land and Buildings	128,000
Plant & Machines	442,000
Motor Vehicles	96,000
Furniture & Fixtures	18,000
Pre Expenses	16,000
Working Capital	200,000
TOTAL	900,000

PROJECT FINANCING

Foreign Equity	USD 600,000
Foreign Loan	USD 300,000
Total Investment	USD 900,000

FIXED ASSETS SCHEDULE

NAME OF ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings	128,000	121,600	115,200	108,800	102,400
Plant & Machines	442,000	353,600	265,200	176,800	88,400
Motor Vehicle	96,000	81,600	76,600	71,600	66,600
Furniture & Fixtures	18,000	15,750	40,000	35,000	30,000
Total	684,000	572,550	497,000	392,200	287,400
Depreciation	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings	6,400	6,400	6,400	6,400	6,400
Plant & Machines	88,400	88,400	88,400	88,400	88,400
Motor Vehicles	14,400	5,000	5,000	5,000	5,000
Furniture & Fixtures	2,250	2,250	2,250	2,250	2,250
ANNUAL DEPRECIATION	111,450	102,050	102,050	102,050	102,050
CLOSING FIXED ASSETS	572,550	470,500	394,950	290,150	185,350

OTHER OPERATING COST

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Motor Vehicle running expense	22,700	23,100	23,500	23,900	24,300
Salaries and Wages	11,500	12,650	13,915	15,307	16,837
Administrative Overhead Costs	41,300	45,430	49,973	54,970	60,467
Utility Costs	82,000	90,200	99,220	109,142	120,056
Interest on Loan	10,500	9,450	8,505	7,655	6,889
Communication Expenses	32,000	35,200	38,720	42,592	46,851
Total Costs	200,000	216,030	233,833	253,565	275,401

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR5
Sales Revenue	1,305,000	1,566,000	1,879,200	2,255,040	2,706,048
Cost of Sales	261,000	261,000	261,000	261,000	261,000
Gross Profit	1,044,000	1,305,000	1,618,200	1,994,040	2,445,048
Operating Expenses					

Administrative Overhead					
Costs	41,300	41,713	42,130	42,551	42,977
Motor Vehicle running	22,700	22,927	23,156	23,388	23,622
Salaries and Wages	11,500	11,615	11,731	11,848	11,967
Depreciation	111,450	112,565	113,690	114,827	115,975
Utility Costs	82,000	82,820	83,648	84,485	85,330
Insurance	22,500	22,725	22,952	23,182	23,414
Interest on Loan	10,500	10,605	10,711	10,818	10,926
Total Expenses	237,950	240,330	242,733	245,160	247,612
Profit before Tax	806,050	1,064,671	1,375,467	1,748,880	2,197,436
Tax (30%)	241,815	745,269	962,827	1,224,216	1,538,205
Profit After Tax	564,235	319,401	412,640	524,664	659,231

PROJECTED BALANCE SHEET

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Fixed Assets	684,000	572,550	497,000	392,200	287,400
Long Term Assets					
Depreciation	111,450	102,050	102,050	102,050	102,050
Total Long Term Assets	572,550	470,500	394,950	290,150	185,350
Current Assets					
Cash	406,100	684,700	979,050	1,292,735	1,625,723
Account Receivable	105,000	110,250	216,535	421,763	527,628
Inventory	214,710	376,383	438,469	402,292	467,493
Total Current Assets	216,000	216,000	216,000	216,000	216,000
Total Assets	788,550	686,500	610,950	506,150	401,350
Current Liabilities					
Accounts Payable	84,000	88,200	92,610	97,241	102,103
Other Current Liabilities	70,000	73,500	77,175	81,034	85,085
Subtotal Current Liabilities	154,000	1,616,700	169,785	178,274	187,188
Long Term Liabilities					
Long Term Liabilities	1,820,000	1,820,000	1,820,000	1,820,000	1,820,000
Total Liabilities	572,550	470,500	394,950	290,150	185,350
Net Assets	820,810	877,633	951,268	1,044,516	1,157,656
Capital And Reserves					
Owners Contribution	780,000	780,000	780,000	780,000	780,000
Retained Earning	40,810	97,633	171,268	264,516	377,656
Total Capital	788,550	686,500	610,950	506,150	401,350