

BOA VIDA COMPANY LIMITED

BUSINESS PLAN FOR PRODUCTION OF PAINT

1.0 EXECUTIVE SUMMARY

BOA VIDA COMPANY LIMITED is referred to as a company locally registered with a Certificate of Incorporation No.141117432 dated 25th February 2020. The directors of this

company are foreign investors with vast international business experiences in automobile assembling projects.

Through years of research and innovation, the company shareholders have obviously created an advantage in the market network, product, technology, and cost and established a unique enterprise culture. Having operated in China for many years the shareholders are ready to establish a physical presence in Tanzania by establishing a paints plant.

Shareholders have registered a new company in

Plot No. 609 Block SS Chekeni Mwasonga, Temeke Municipality, Dar es Salaam; in an ideal location, highly suitable for the kind of manufacturing business we plan to establish. We have been able to purchase land that is big enough to fit into the design of the kind of standard paint manufacturing company that we intend to launch.

BOA VIDA COMPANY LIMITED. Will be involved in manufacturing paints, varnishes, lacquers and stains, as well as fillers, putties, and paint thinners and removers. We are set to services a wide range of clientele in domestic and foreign markets

We are aware that there are several paint manufacturing companies all around the United Republic of Tanzania, which is why we spent time and resources to conduct a thorough feasibility studies and market survey so as to be well positioned to favorably compete with all our competitors.

BOA VIDA COMPANY LIMITED. will at all times demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our customer needs precisely and completely whenever they patronize our products.

BOA VIDA COMPANY LIMITED. Will ensure that all our customers are given first-class treatment whenever they visit our factory. We have CRM software that will enable us to manage a one-on-one relationship with our customers no matter how large they are. We will ensure that we get our customers involved when

making some business decisions that will directly or indirectly affect them.

BOA VIDA COMPANY LIMITED. is a business that is owned by :

S/N	NAME OF SHAREHOLDERS	PERCENTAGE OF OWNERSHIP	NATIONALITY
1	FETOUH AHMED ABOUELFETOUH AHMED	90	Egyptian
2	SALAHEDIEN FETOUH AHMED ABOUELFETOUH	10	Egyptian

The shareholder with over 15 years of experience in the paint manufacturing industry, working for some of the leading brands in Egypt.

2.0 Our Product Offering

BOA VIDA COMPANY LIMITED. is in the paint manufacturing industry to service a wide range of

clients and of course to make profits, which is why we will ensure we go all the way to give our clients and potential clients options. We will do all that is permitted by the law to achieve our business goal, aim, and ambition of starting the business.

Our product offerings are listed below;

- Manufacturing architectural coatings
- Manufacturing enamel paints and latex paints
- Manufacturing epoxy coatings made from purchased resins
- Manufacturing industrial product finishes and coatings
- Manufacturing paint thinner and reducer preparations, paintbrush cleaners, and paint and varnish removers
- Manufacturing polyurethane coatings
- Manufacturing powder coatings

- Manufacturing varnishes, lacquers, shellac, and stains
- Manufacturing water-repellant coatings for wood, concrete, and masonry
- Manufacturing wood fillers, primers, and putty

3.0 Our Mission and Vision Statement

- Our vision is to become one of the leading brands in the paint manufacturing industry in the whole of East Africa.
- Our mission is to establish a world-class paint manufacturing business whose products will not only be retailed in Tanzania but also be exported to neighboring countries.

4.0 Our Business Structure

BOA VIDA COMPANY LIMITED. Do not intend to start a paint manufacturing business like the usual business; our intention of starting a paint manufacturing company

is to build a standard business whose products will be exported to other countries of the world. We will ensure that we put the right structure in place that will support the kind of growth that we have in mind while setting up the business.

We will ensure that we hire people that are qualified, honest, customer centric and are ready to work to help us build a prosperous business that will benefit all our stake holders. As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of ten years or more.

In view of that, we have decided to hire qualified and competent hands to occupy the following positions;

- Chief Executive Officer (Owner)
- Plant Manager
- Human Resources and Admin Manager
- Sales and Marketing Manager

- Paint Machine Operator
- Accountants/Cashiers
- Customer Services Executive/Front Desk Officer

5.0 Job Roles and Responsibilities

Chief Executive Officer – CEO:

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions.
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.

- Answerable for fixing prices and signing business deals
- Responsible for providing direction for the business
- Accountable for signing checks and documents on behalf of the company
- Evaluates the success of the organization

Admin and HR Manager

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization.
- Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defines job positions for recruitment and managing interviewing process

- Carries out induction for new team members.
- Responsible for training, evaluation and assessment of employees.
- Responsible for arranging travel, meetings, and appointments.
- Oversees the smooth running of daily office activities.

Plant Manager:

- Responsible for overseeing the smooth running of the paint manufacturing plant
- Part of the team that determines the quantity of paints, varnishes, lacquers and stains, as well as fillers, putties and paint thinners and removers et al that are to be produced
- Maps out strategy that will lead to efficiency amongst workers in the plant
- Responsible for training, evaluation and assessment of plant workers

- Ensures that the steady flow of both raw materials to the plants and easy flow of finished products to wholesale distributors
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Ensures that the factory meets the expected safety and health standard at all times.
- Interfaces with third-party suppliers of raw materials.
- Controls paints, varnishes, lacquers, and stains, as well as fillers, putties, and paint thinners and removers' et al distribution and supply inventory.
- Supervises the workforce in the factory.

Sales and Marketing Manager

- Manages external research and coordinates all the internal sources of information to retain the organizations' best customers and attract new ones
- Model demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
- Responsible for supervising implementation, advocating for the customer's needs, and communicating with clients
- Develops, executes, and evaluates new plans for expanding sales
- Documents all customer contact and information

- Helps to increase sales and growth for the company

Paint Machine Operators

- Responsible for operating machines used in the manufacturing and packaging of architectural coatings, enamel paints, and latex paints, epoxy coatings made from purchased resins, industrial product finishes and coatings, paint thinner and reducer preparations, paintbrush cleaners and paint and varnish removers, polyurethane coatings.
- Responsible for operating machines used in the manufacturing and packaging of powder coatings, varnishes, lacquers, shellac and stains, water repellent coatings for wood, concrete and masonry, and wood fillers, primers and putty.
- Handles any other duty as assigned by the plant manager or supervisor.

Accountant/Cashier:

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides management with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the organization

- Serves as an internal auditor for the organization

Client Service Executive/Front Desk Officer

- Welcomes guests and clients by greeting them in person or on the telephone; answering or directing inquiries.
- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services
- Consistently stays abreast of any new information on the company's products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients
- Receives parcels/documents for the company

- Distribute mail to the organization
- Handles any other duties as assigned by the line manager

Total of 20 people to be employed

6.0 SWOT Analysis

BOA VIDA COMPANY LIMITED. is in business to become one of the leading paint manufacturing companies in Tanzania and we are fully aware that it will take the right business concept, management, and organization – structure to achieve our goal.

We are quite aware that there are several paint manufacturing companies in Tanzania and even in the same location where we intend to locate ours, which is why we are following the due process of establishing a business.

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength,

leverage on the opportunities that will be available to us, mitigate our risks, and be equipped to confront our threats.

BOA VIDA COMPANY LIMITED. employed the services of an expert HR and Business Analyst with bias in manufacturing to help us conduct a thorough SWOT analysis and to help us create a Business model that will help us achieve our business goals and objectives.

This is the summary of the SWOT analysis that was conducted for BOA VIDA COMPANY LIMITED.;

- **Strength:**

Our core strength lies in the high quality of our products, the power of our team, and the state-of-the-art paint manufacturing plant that we own. We have a team of highly trained and experienced staff members that can go all the way to produce top products. We are well positioned in the heart of

Dar es Salaam and we know we will attract loads of clients from the first day we open our paint manufacturing company for business.

- **Weakness:**

A major weakness that may count against us is the fact that we are a new paint manufacturing company and we don't have the financial capacity to compete with multi-million dollars paint manufacturing companies which have already in the market for decades. So also, we may not have enough cash reserve to promote our paint manufacturing company the way we would want to do.

- **Opportunities:**

The fact that we are going to be operating our paint manufacturing company in Dar es Salaam provides us with unlimited opportunities to sell our products to a large number of individuals and organizations. We have been able to conduct

thorough feasibility studies and market surveys and we know what our potential clients will be looking for when they visit our paint manufacturing plant.

- **Threat:**

Just like any other business, one of the major threats that we are likely going to face is an economic downturn. It is a fact that an economic downturn affects purchasing/spending power. Another threat that may likely confront us is the arrival of a new paint manufacturing company in the same location where ours is located. So also, unfavorable government policies may also pose a threat to businesses such as ours.

7.0 MARKET ANALYSIS

- **Market Trends**

If you are conversant with the trends in the Paint Manufacturing industry, you will agree that the industry

has benefited from improved industrial production and construction activity over the last half a decade. Revenue from generic paints and related products has been falling due to product standardization, with increasing competition from low-cost, low-priced imports produced in China and elsewhere.

Economic recovery and increasing manufacturing activity have helped boost paint sales. Operators have altered their current business procedures to correspond with new laws and profit margins are projected to remain tight due to volatile raw material costs.

On the other hand, the paints and similar products segment has been growing steadily, and its sales are becoming more significant to the overall performance of the industry.

The paint manufacturing landscape has seen tremendous changes in the last 20 years; it has grown from a smaller enterprise to a more organized manufacturing factory. This trend has benefited them in such a way that they can comfortably sell their paints

and related products nationally and also export them to other countries of the world.

7.1 Our Target Market

Perhaps it will be safe to submit that the paint manufacturing industry has the widest range of customers; paints and related products are used in every facility and machine.

In view of that, we have positioned our paint manufacturing company to service construction and other manufacturing companies all around Dar es Salaam and every other location where we intend to distribute our products.

We have conducted our market research and feasibility studies and we have ideas of what our target market would be expecting from us. We are in business to manufacture a wide range of paints and related products for the following clients;

- Home remodeling companies
- Construction companies

- Building materials dealers
- Painters
- Carpenters and furniture manufacturing companies
- Roofing construction manufacturing companies

7.2 Our Competitive Advantage

A close study of the paint manufacturing industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, you have to be highly creative, customer-centric, and proactive if you must survive in this industry. We are aware of the stiff competition and we are prepared to compete favorably with other leading paint manufacturing companies.

BOA VIDA COMPANY LIMITED. is launching a standard paint manufacturing company that will indeed become the preferred choice of residents of Dar es Salaam. Our paint manufacturing company is located in an ideal property highly suitable for the

kind of manufacturing company that we want to run.

One thing is certain, we will ensure that we manufacture a wide range of paints, varnishes, lacquers, and stains, as well as fillers, putties, and paint thinners and removers et al. to meet international standards.

One of our business goals is to make BOA VIDA COMPANY LIMITED. a one-stop paint manufacturing company for both cottage companies and large corporations. Our excellent customer service culture, online store, various payment options and highly secured facility will serve as a competitive advantage for us.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and objectives. We will also give good working

conditions and commissions to freelance sales agents that we will recruit from time to time.

8.0 SALES AND MARKETING STRATEGY

- **Sources of Income**

BOA VIDA COMPANY LIMITED. is in business to manufacture and retail a wide range of paints to clients in Tanzania. We are in the paint manufacturing industry to maximize profits and we are going to go all the way to ensure that we achieve our business goals and objectives.

BOA VIDA COMPANY LIMITED. Will generate income by selling the following products;

- Architectural coatings, enamel paints, and latex paints, epoxy coatings made from purchased resins, industrial product finishes and coatings, paint thinner and reducer preparations, paintbrush cleaners and paint and varnish removers, polyurethane coatings

- Powder coatings, varnishes, lacquers, shellac and stains, water-repellant coatings for wood, concrete, and masonry, and wood fillers, primers, and putty.

9.0 Pricing Strategy

Aside from quality, pricing is one of the key factors that gives leverage to paint manufacturing companies, it is normal for clients to go to places where they can get paints, varnishes, lacquers and stains, as well as fillers, putties and paint thinners and removers et al at cheaper price which is why big player in the paint manufacturing industry will always attract loads of clients.

We know we don't have the capacity to compete with leading paint manufacturing companies in Tanzania, but we will ensure that the prices and quality of all the products that we manufacture are

competitive with what is obtainable amongst paint manufacturers within our level.

10.0 Project Investment Cost

The estimated capital investment cost of the project is US\$ 1,500,000

BOA VIDA COMPANY LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	40,000.00
Machinery & Equipment	600,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	10,000.00
Pre exp	30,000.00
Others	20,000.00
Working Capital	700,000.00
TOTAL	1,500,000.00

11.0 Financial Analysis

11.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied, it is assumed to be 5% annual depreciation.

12.0 Implementation Schedule

Project implementation is expected to be relatively very short once the project has been approved it is estimated that construction of serviced furnished apartment will be completed within two years:-

13.0 FINANCIAL ANALYSIS

13.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

13.2 Projected Sales Revenue

For projection purposes, it is assumed that the economic life of the project is five years and that production of the different types of plastics products commence from the first year of operation.

	1 US\$	2 US\$	3 US \$	4 US\$	5 US\$
Revenue	1,630,800	1,640,800	1,649,805	1,655,901	1,700,000

13.3 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US \$ **419,499** in first year to US \$ **456,299** in the 5 year

BOA VIDA COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT**US\$**

	1	2	3	4	5
Sales Revenue	1,630,800	1,640,800	1,649,805	1,655,901	1,700,000
Cost of Sales	510,000	512,000	518,000	520,000	525,000
Gross Profit	1,120,800	1,128,800	1,131,805	1,135,901	1,175,000
Operating Expenses:					
Administrative Expenses	5,200	5,205	6,000	6,200	6,800
Motor vehicle running expenses	20,000	20,000	20,000	20,000	20,000
Salaries and Wages	320,000	320,000	320,000	320,000	320,000
Donation	1,200	1,200.00	1,200	1,200	1,200
Depreciation	75,000	75,000	75,000	75,000	75,000
Marketing Costs	2,815	2,815	2,820	2,822	2,825
Utility costs	32,000	32,000	32,000	32,000	32,000
Insurance	5,800	5,800	5,800	5,800	5,800
Communication	5,500	5,506	5,510	5,515	5,518
Pension Contribution	48,000	48,000	48,000	48,000	48,000
Loan Interest (3%)	6,000	6,000	6,000	6,000	6,000
Total Expenses	521,515	521,526	522,330	522,537	523,143

Profit before tax	599,285	607,274	609,475	613,364	651,857
Tax (30%)	179,785	182,182.20	182,842	184,009	195,557
Profit After Tax	419,499	425,091	426,632	429,354	456,299

13.3 Projected Cash Flows

This is shown in the financial statements. The project has a positive end-of-year cash flow from the year1, i. e US 2,845,818 of operation to the 5th year i.e. US \$ 6,686,521

BOA VIDA COMPANY LIMITED PROJECTED CASH FLOW US\$

	1	2	3	4	5
Cash Sales	1,625,100	1,635,050	1,643,805	1,649,651	1,693,700
VAT Receipt	292,518	294,309	295,885	296,937	304,866
Subtotal cash Received	1,917,618	1,929,359	1,939,690	1,946,588	1,998,566
Expenditures from Operations:					
Purchases	510,000	512,000	518,000	520,000	525,000
VAT Payments	91,800	92,160	93,240	93,600	94,500
Subtotal Cash Payment	601,800	604,160	611,240	613,600	619,500
CASH FLOW FROM OPERATIONS:	1,315,818	1,325,199	1,328,450	1,332,988	1,379,066
CASH FLOW FROM INVESTMENTS:					
Purchase of Assets	750,000				
Working Capital and pre-expenses	-220,000				
CASH FLOW FROM INVESTMENTS:	530,000				
CASH FLOW FROM FINANCING:					
Loan	300,000				
Owners Equity Contribution	1,200,000				
CASH FLOW FROM FINANCING:	1,000,000				
NET CASH FLOW FOR PERIOD	2,845,818	1,325,199	1,328,450	1,332,988	1,379,066
CASH FLOW START OF YEAR	-	1,320,818	2,646,017	3,974,467	5,307,455
CASH FLOW AT THE END OF YEAR	2,845,818	2,646,017	3,974,467	5,307,455	66,865,210

13.4 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under the same heading. The net worth of the project increases from US 1,261,548 in the first year of operation to US \$ 1,297,691 in the 5th year.

BOA VIDA COMPANY LIMITED PROJECTED BALANCE SHEET USD

	1	2	3	4	5
<u>Fixed Assets</u>					
Long-term Assets	750,000	675,000	600,000	525,000	450,000
Depreciation	75,000	75,000	75,000	75,000	75,000
Total Long-term Assets	675,000	600,000	525,000	450,000	375,000
<u>Current Assets</u>					
Cash	1,320,818	2,646,017	3,974,467	5,307,455	6,685,521
Accounts Receivable	5,700	5,750	6,000	6,250	6,300
Total Current Assets	1,326,518	2,651,767	3,980,467	5,313,705	6,691,821
Total Assets	2,001,518	3,251,767	4,505,467	5,763,705	7,066,821
<u>Current Liabilities</u>					
Accounts Payable	5,000	5,200	5,200	5,300	5,500
Other Current Liabilities	0	0	0	0	0
Subtotal Current Liabilities	5,000	5,200	5,200	5,300	5,500
<u>Long-term Liabilities</u>					
Long-term Liabilities	200,000	200,000	200,000	200,000	200,000
Total Liabilities	205,000	205,200	205,200	205,300	205,500
Net Assets	1,796,518	3,046,567	4,300,267	5,558,405	6,861,321
<u>Capital and Reserves</u>					
Owners Contribution	800,000	800,000	800,000	800,000	800,000
Retained Earnings	461,548	467,140	468,310	470,889	497,691
Total Capital	1,261,548	1,267,140	1,268,310	1,270,889	1,297,691

Project Implementation

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	April 2023
2	Processing Exemptions	September–October 2023
3	Mobilizing Fund	February –October 2023
3	Renovation of building	October –January 2023
4	Ordering Machines and other equipment	January –March 2024
5	Testing business and in house training	May –August 2024
6	Commercial operations	January 2025

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

- Make available cheap, quality paint
- Increased availability of quality distribution and marketing products alongside competitive prices of these products will result in increased healthy competition among all trading and manufacturing companies
- The project will result in the direct employment creation of 25 people much more indirectly
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid by the company

14.0 Conclusion

BOA VIDA COMPANY LIMITED set out a proposal to Invest in the establishment of automobile assembling project to be located in Dar es Salaam.

The Executive Summary highlights indicate that the proposed project will be financial and economically viable, The project will generate significantly to the social and economic progress by way of increasing the provision of quality transportation services in the country. It is recommended that the project be accorded the required institutional support to pave the way for its expeditious establishment and development.

In that regard; we strongly recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under Tanzania Investment Act, 1997 to enable smooth implementation

14.0 Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.