

# SIGNATURE TRADING LIMITED

## BUSINESS PLAN

PROJECT: SIGNATURE MAKUYUNI ABBATTOIR

EXPECTED OPERATIONS OFFICIAL STARTING TIME:

JULY 2023

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## 1. Industry Overview

Abattoir business falls under the Meat, Beef & Poultry Processing industry and players in this industry basically slaughter poultry birds and animals, process the meat and package them into products and by-products. The industry is also known to be involved in purifying and refining animal fat, bones and meat scraps.

Products are sold to other food manufacturers, renderers, grocers, meat wholesalers and retail traders. It is important to state businesses that primarily cut and pack meats from purchased carcasses are also part of this industry.

Even though meat consumption based on per capita income is expected to remain stagnant in the next half a decade, economic woes before this period aggravated consumption drops. Because of recovering consumer sentiment, population growth and strong export demand, meat-processing revenue is projected to increase going forward.

In spite of the stability of consumer demand for meat-based products, unpredictable weather conditions and disease outbreaks can cause instability in the revenue generated by industry players.

The sheep, goats and cow Meat Processing Industry is indeed a very large industry and pretty much thriving in all parts of the world.

The abattoir or slaughterhouse business will continue to blossom because people will always want to purchase fresh chilled as well as frozen meat. Despite the fact that the industry seems over – saturated, there is still room big enough to accommodate aspiring entrepreneurs who intend opening their own abattoir in any part of Tanzania

Some of the factors that encourage entrepreneurs to start their own abattoir business despite the required licensing and permits could be that the business is a thriving business.

Lastly, if you are looking towards leveraging on the meat processing industry to generate huge income, then one of your best bet is to start an abattoir. One thing is certain about starting this business, if you are able to conduct your market research and feasibility studies, you are more likely not going to struggle to sell your products because there are loads of distributors and consumers out there who are ready to buy from you.

## 2. Executive Summary

Signature Trading Limited is a registered Company that entered into agreement with Monduli District Council to invest and run the Makuyuni slaughterhouse for the period of 20 years that will be involved in the slaughtering and selling of fresh chilled Halal meat as well as Halal frozen meat to export market as well as local market. Our slaughterhouse facility is located at Makuyuni, in Monduli District, Arusha, Tanzania, East Africa.

The abattoir has a storage facility though we plan to add up more cold storage facility that will make bulk production possible.

We are aware that there are several abattoirs and even well – established farm markets and meat processing companies all around Tanzania that are also into meat exporting, that's why we spent time and resources to conduct our feasibility studies and market survey so as to offer much more than our competitors will be offering.

We know that our customers are the reason why we are in business which is why we will go the extra mile to get them satisfied when they patronize our products. Signature Makuyuni abattoir will ensure that all our customers are given first class service in every business dealing that will enter with us.

We will have a CRM software that will enable us manage a one on one relationship with our customers no matter how large they may grow to. We will ensure that we get our customers involved in the selection of the types of animal to be slaughtered and also when making some business decisions that directly affects them.

Signature Makuyuni abattoir 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 client's needs precisely and completely.

## 3. Our Products and Services

We are in the agribusiness industry to make profits and we will ensure that we do all that is permitted by the law in the Tanzania to achieve our business aim and objectives. Our products and services offerings are listed below;

- Slaughtering animals
- Producing cuts of beef
- Producing cuts of lamb and mutton
- Selling by-products from the slaughtering process

## 4. Our Mission and Vision Statement

Our mission is to establish an abattoir business that will slaughter and sell a wide range of animals at affordable prices to wholesalers and retailers for export and local market.

## **Our Business Structure**

Our intention of starting our business is to have a standard slaughterhouse in Tanzania We will ensure that we put the right structures in place that will support the kind of growth that we have in mind while setting up the business.

We will make sure 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 stakeholders. 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 five years or more.

In view of that, we have decided to hire qualified and competent hands to occupy the following positions that will be made available at **Signature Makuyuni Abattoir**.

- General Manager
- Warehouse / Storage Facility Manager
- Merchandize Manager
- Sales and Marketing Manager
- Production Manager
- Butchers
- Drivers/Distributors

## **5. Job Roles and Responsibilities**

### **General Manager**

- 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.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- 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.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defines job positions for recruitment and managing interviewing process

### **Warehouse cum Storage Facility Manager:**

- Responsible for organizing the safe and efficient receipt, storage and dispatch of slaughtered animals and byproducts
- Responsible for liaising with customers, suppliers and transport companies
- Responsible for using space and mechanical handling equipment efficiently and making sure quality, budgetary targets and environmental objectives are met

- In charge of coordinating the use of automated and computerized systems where necessary
- Ensures that proper records of goods are kept and warehouse does not run out of products
- Ensures that the slaughterhouse facility is in tip top shape and goods are properly arranged and easy to locate
- Controls meat distribution and supply inventory
- Supervises the workforce in the abattoir floor.

### **Merchandise Manager**

- Manages vendor relations, farm cum market visits, and the ongoing education and development of the organizations' buying teams
- Responsible for the purchase of cows and goats directly from farmers for the organizations
- Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors
- Ensures that the organization operates within stipulated budget

### **Production Manager**

- Ensure all production schedules are proper followed
- Ensure best quality of the meat and meat product as well as animals before slaughtered.
- Make sure the production process follow all necessary health and hygienic measures and all meat/food processing rules, regulations and procedures are followed accordingly.
- Coordinate and make proper plan on balancing of market demand and production inputs.
- Ensure all machinery and equipment's are in good condition and works perfectly.
- Ensure all animals are slaughtered following exactly Islamic rites (Halal).

### **Butchers**

- Responsible for slaughtering animals, producing cuts of beef, producing cuts of lamb and mutton, producing cuts of beef meats and selling by-products from the slaughtering process.
- Responsible for cleaning the abattoir before and after slaughtering of animals
- Handles any other duty as assigned by the manager.

### **Sales and Marketing Manager**

- Manages external research and coordinate all the sources of information to retain and obtain new markets (international and local markets)
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritizes, and reaches out to new partners, and business opportunities.

- 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, advocate for the customer's needs, and communicate with clients
- Develops, executes and evaluates new plans for increasing sales
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

#### **Accountant/Cashier:**

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements 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
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

#### **Distribution Truck Drivers**

- Assists in loading and unloading live and slaughtered animals
- Maintains a logbook of their driving activities to ensure compliance with regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Assists the transport and logistics manager in planning their route according to a distribution schedule.
- Local-delivery drivers may be required to sell meat and beef and poultry to stores on their route, obtain signatures from recipients and collect cash.
- Inspect vehicles for mechanical and safety issues and perform preventative maintenance
- Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Collects and verifies delivery instructions
- Reports defects, accidents or violations.

## 6. SWOT Analysis

Our intention invest in abattoir in Tanzania and work with animals farmers within Tanzania is to test run the business for a period of 2 to 5 years to know if we will invest more money, expand the business and then open our own abattoir in one of the major cities in Tanzania.

We are quite aware that there are several slaughterhouses all over Tanzania 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.

Signature Makuyuni Abattoir will employ the services of an expert Business Analyst with bias in the meat processing industry 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 conducted for Signature Makuyuni abattoir.

- **Strength:**

Our location, the abattoir is located around high animals availability area and clean environment about 100 kilometers away from the big city of Arusha, also for the case of local market, the abattoir is located near the two big national parks(Tarangire and Manyara National Parks) where there is possibility of huge local market especially during high tourism season. Also the location will favour the company for the case of fresh chilled meat exporting since the location is less than 200 kilometers from the Kilimanjaro International Airport which is very essential for fresh chilled meat export. Also offal's will get good market in Arusha region due to high demand of offal's soup in different food area in Arusha city and all other nearby places.

- **Weakness:**

A major weakness that may count against us is the fact that we are a new abattoir business and we don't have the financial capacity to compete with leaders in the industry for now.

- **Opportunities:**

The best opportunity we have is ready export market that created by the company before even investing in abattoir Signature already been in meat business for about 3+years now in Tanzania and some more previous years abroad and have good experience and good relationship with abroad market,throughout all the time the company used Government slaughter facility of Dodoma, so now as we are going to operate the facility of our own we will have good opportunity to enjoy wide ready-made export market, we can start trading in local market of Tanzania mainland and Zanzibar and now we can take more orders and able to offer also frozen meat at our convenience.

- **Threat:**

Some of the threats and challenges that we are likely going to face when we start our own slaughterhouse business are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters, unfavorable government policies and the arrival of a competitor (a new abattoir or even a well-organized farm market) within same location where we have our abattoir.

There is hardly anything you can do as regards these threats and challenges other than to be optimistic that things will continue to work for your good.

## **7. MARKET ANALYSIS**

- **Market Trends**

In recent time, consumers are becoming conscious of what they eat especially as it relates to meat. Those advocating for healthy eating are against the consumption of meat especially red meat, and it takes extra effort for those in the abattoir business to canvass to such people to patronize them.

The truth is that slaughtering animals for food has been in existence for as long as humans started trading goods, but one thing is certain, the meat, beef and poultry processing industry is still evolving. The introduction of technology has indeed helped in reshaping the industry.

Lastly, it is now a common phenomenon for abattoirs to leverage on technology to effectively predict consumer demand patterns and to strategically position their business to meet their needs; in essence, the use of technology helps slaughterhouses to maximize supply chain efficiencies.

## **8. Our Target Market**

The meat, beef and poultry processing industry has a wide range of customers; a large chunk of people on planet earth consume different types of meat products and it is difficult to find people around who don't.

Our main target Market is Qatar, Dubai and other Far East countries, also some small preference market expected in area around abattoir, Arusha, nearby regions and districts as well as Zanzibar for local market. In local market also we target areas like restaurants, hotels, catering, campsites, supermarkets and contractual wholesale supplies to governmental or private institutions.

We are in business to engage in the slaughtering and selling of freshly butchered meats to the following businesses;

## **Our Competitive Advantage**

A close study of the meat processing 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 abattoirs in Tanzania.

One thing is certain; we will ensure that we have a good stock of animals in hand all the time so as to promptly react to any export order that will come anytime. Also we will ensure our warehouse/storage facility have meat stock at all times for the case of local market. The fact that we have already developed long term business relationship with export market will enable us to stand out of cloud.

So also, excellent customer service culture, neat and healthy environment, timely and reliable delivery services, online presence, and various payment options 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 achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

## **9. SALES AND MARKETING STRATEGY**

- **Sources of Income**

Signature Trading Limited is in business to engage in slaughtering animals and selling of fresh chilled and frozen meats and byproducts. We are in this industry to maximize profits and we are going to go all the way to ensure that we achieve our business goals and objectives.

Our source of income will be;

- Slaughtering animals
- Sales of goat and sheep meats
- Sales of offal's
- Sales of different types of processed meats to increase value and market share.

## **10. Sales Forecast**

One thing is certain when it comes to abattoir business, if your business is centrally positioned coupled with reliable supply of healthy meats and effective distribution network,

you will always attract customers cum sales and that will sure translate to increase in revenue generation for the business.

We are well positioned to take on the available market in Qatar and Dubai (For export) and local market within Arusha, Babati and all other nearby areas and we are quite optimistic that we will meet our set target of generating enough income from the first six months of operation and grow the business and our clientele base.

We have been able to critically examine the meat processing industry, we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projections are based on information gathered from export and local market and some assumptions that are peculiar to startups In Tanzania.

- **First Fiscal Year:** \$ 4,800,000
- **Second Fiscal Year:** \$ 5,000,000
- **Third Fiscal Year:** \$ 5,400,000

**N.B:** This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same products and services as we do within the same market. Please note that the above projection might be lower and at the same time it might be higher.

- **Marketing Strategy and Sales Strategy.**

We have detailed information and data that we are able to utilize to structure our business to attract the number of customers we want to attract per time.

We will hire experts who have good understanding of the meat processing industry to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market locally and international.

In summary Signature Trading Limited will adopt the following sales and marketing approach to win customers over;

- Customer's physical visiting and meeting to identify their needs and exactly fulfill them.
- Introduce our business by sending introductory letters alongside our brochure to current and esteemed customers, locally and internationally.
- Ensure that we have a wide range of meat and animals stock in our abattoir at all times
- Create a loyalty plan that will enable us reward our regular customers
- Compete in different private and public tenders for meat supply in local market

## **11. Publicity and Advertising Strategy**

Despite the fact that our abattoir business is well structured and well located, we will still go ahead to intensify publicity for the business. We are going to explore all available means to promote the business.

Signature Trading Limited has a long-term plan of opening distribution channels abroad as well as in Tanzania.

As a matter of fact, our publicity and advertising strategy is not solely for winning customers over but to effectively communicate our brand.

- Encourage the use of word of mouth publicity from our loyal customers
- Leverage on the internet and social media platforms like YouTube, Instagram, Facebook, Twitter, LinkedIn, Google+ and other platforms to promote our business.
- Ensure that we position our banners and billboards in strategic positions all around Tanzania and countries that we are exporting to.
- Advertise our abattoir business in our official website and employ strategies that will help us pull traffic to the site
- Brand all our official cars and distribution vans/trucks and ensure that all our staff members and management staff wears our branded shirt or cap at regular intervals.

## 12. Our Pricing Strategy

We will work towards ensuring that our meat is retailed at highly competitive prices compare to what is obtainable in Abroad and in Tanzania. We know that we sell product to the customers who will also going to sell them to other customers and get some profit margins. We will ensure that our products will be sold at price that will be beneficial to our clients. The price that we will set in any market will be set considering distribution costs as well as the price offered to final consumers at such market, this will enable us to set price that will give good profit to us and even to other intermediaries' traders of our products.

We also have plans in place to discount our meat once in a while and also to reward our loyal customers from time to time.

- **Payment Options**

The payment policy adopted by Signature Trading Limited is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the United Republic of Tanzania

Here are the payment options that Signature Trading Limited will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via online bank transfer
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for meat, and other meat products without any stress on their part. Our bank account numbers will be made available on our website and promotional materials.

## 13. Startup Expenditure (Budget)

Our start up budget is so certain because the facility we are going to start with is rented from the Monduli District Council which we have entered into Memorandum of Understanding for the period of twenty years with fixed amount of annual rental fee plus some other monthly costs as per district monthly revenue sources.

This means that our startup costs will mainly be in repairing and renovation costs as well as some other associated costs that any business will incur during startup.

To economize costs and ensure better quality of the facility, we plan to import some equipment materials from abroad, especially in India where we expect to get materials at reasonable costs, main reason being some of materials not available in Tanzania or available but low quality, and some available at nearest country of Kenya but too expensive to buy.

These are the key areas where we will spend our startup capital on;

si no	Cost type	Amount(USD)
1	Abattoir repairing and maintenance	92,000
2	Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software)	3,300
3	Cost of hiring business consultant	2,520
4	Marketing promotion expenses for the grand opening of Signature Makuyuni Abattoir	3,500
5	Other start-up expenses including stationery	500
6	Operational cost for the first 3 months (salaries of employees, payments of bills etc.)	64,500
7	flyer printing (2,000 flyers at \$0.04 per copy)	80
9	The cost for Start-up inventory (purchase of livestock and slaughtering tools)	218,000
10	The cost of purchase and installation of CCTVs	5,000
11	The cost for the purchase of furniture and gadgets (Computers, Printers, Telephone, tables and chairs etc.	4,000
12	The cost for the purchase of distribution vans / trucks ,chiller trucks	96,000
13	The cost of launching a website	600
14	Miscellaneous costs	10,000
	<b>Grand total startup costs</b>	<b>500,000</b>

We would need an estimate of five hundred thousand dollars (**\$500,000**) to successfully set up our abattoir business in Makuyuni, Monduli District, Arusha Region in Tanzania.

### **Generating Startup Capital Signature Trading Limited**

Signature Trading is a private Limited Company which established and run by three directors and shareholders and have got couple of investors abroad.

These are the areas we intend generating our startup capital from;

- USD 100,000 already generated by Signature trading on previous meat export business
- USD 400,000 will be invested by the company investors who are living in India and Qatar.

## **14. Sustainability and Expansion Strategy**

The future of a business lies in the number of loyal customers that we have and will going to create, the capacity and competence of our employees, our investment strategy and business structure.

One of our major goals of starting Signature Makuyuni abattoir is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to distribute our meat and meat products a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

Signature Trading Limited will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and retraining of our workforce is at the top burner.

We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

### **Check List/Milestone**

- Business Name Availability Check: **Completed**
- Business Registration: **Completed**
- Opening of Corporate Bank Accounts: **Completed**
- Opening Mobile Money Accounts: **In progress**
- Opening Online Payment Platforms: **Completed**
- Application and Obtaining Tax Payer's ID: **Completed**
- Application for business license and permit: **In progress**
- Purchase of Insurance for the Business: **In progress**
- Leasing of abattoir facility : **completed**
- Conducting Feasibility Studies: **Completed**
- Generating capital from investors: **In progress**
- Writing of Business Plan: **Completed**

- Drafting of Contract Documents and other relevant Legal Documents: **Completed**
- Design of The Company's Logo: **Completed**
- Printing of Packaging/Promotional Materials: **In Progress**
- Recruitment of employees: **In Progress**
- Purchase of butcher tools: **In progress**
- Purchase of distribution vans: **in progress**
- Creating Official Website for the Company: **completed**
- Creating Awareness for the business both online and around the community: **In Progress**
- Health and Safety and Fire Safety Arrangement (License): **In progress**
- Compilation of our list of products that will be distribute: **Completed**
- Establishing business relationship with farmers within and outside of Makuyuni area **In Progress/partial completed**