

NR AUTOMOBILES & LOGISTICS LIMITED

A BUSINESS PLAN FOR STARTING A BUSINESS OF TRANSPORTATION



PREPARED FOR:

NR Automobiles & Logistics Limited,
P.O. Box 4267
Plot No. 1347/48/208 headquarters
Ilala Municipal Council
Mchafukoge, Bandi Street
Dar es salaam - Tanzania

1.0 EXECUTIVE SUMMARY	3
1.1 Mission	3
1.2 Vision	3
1.3 Objectives	3
1.4 Keys to Success	4
2.0 COMPANY DESCRIPTION	6
3.0 SERVICES	7
3.1 Technology	7
3.2 Tools and Equipment	8
4.0 MARKET ANALYSIS	10
4.1 Legality of the business	10
4.2 Industry Trends	10
4.3 Market segmentation	10
4.4 Target Market	12
4.5 Main Competitors	12
5.0 SALES AND MARKETING STRATEGY	14
5.1 Value proposition	14
5.2 Marketing and Branding strategy	14
5.3 Competitive advantage	15
5.4 Pricing Strategy	16
6.0 ORGANISATION AND MANAGEMENT	17
6.1 Management Structure	17
6.2 Departments and Key Roles:	17
7.0 RISK ANALYSIS	19
7.1 Mitigation Strategies for Risks:	19
7.2 Contingency Plans for Unforeseen Circumstances:	20
8.0 SWOT ANALYSIS	21
8.1 Strengths	21
8.2 Weaknesses	21
8.3 Opportunities	21
8.4 Threats	21
9.0 CONCLUSION AND RECOMMENDATIONS	23
9.1 Conclusion	23
9.2 Recommendations	23

1.0 EXECUTIVE SUMMARY

NR AUTOMOBILES & LOGISTICS LIMITED is a logistics business (transportation of goods by road) based in Dar es Salaam, Tanzania. The company has a vision to transform the logistics industry by providing efficient and reliable transportation services for goods from the port of Dar es salaam to various destinations within Tanzania and neighbouring countries. Our mission is to become one of the largest cargo commercial transport companies. It is a trucking company with a mission to become one of the largest cargo commercial transport companies providing services in Tanzania who brings more than a decade of industry experience, we aim to set new standards of excellence through strategic partnerships, advanced technology, and a commitment to meeting the diverse needs of our clients. The strategy of the company is to consolidate its excellent customer and client service by making timely deliveries, hiring the best drivers, and having a competitive pricing structure.

The company is expecting to invest over USD 4 million. This investment will partly be financed by the bank by USD 2.6 millions which will spread over 5 years.

1.1 Mission

Our mission is to provide reliable and efficient road transportation services, delivering goods from the port of Dar es Salaam to our clients' locations. We are committed to meeting our customers' needs by ensuring on-time delivery, maintaining the highest standards of safety, and providing exceptional customer service. Through our dedication and professionalism, we aim to contribute to the success and growth of businesses across various industries.

1.2 Vision

Our vision is to be the preferred logistics partner in Tanzania, known for our reliability, efficiency, and customer-centric approach. We strive to transform the road transportation industry by making use of advanced technology, optimising operations, and continuously improving our services. By ensuring long-term relationships with our clients and becoming an integral part of their supply chain, we envision NR Logistic Company as a trusted and respected name in the logistics sector.

1.3 Objectives

Objectives of NR Logistic Company:

1. Deliver excellent customer service by understanding and meeting the unique needs of our clients, ensuring timely and reliable delivery, and maintaining open communication throughout the transportation process.
2. Ensuring on-time delivery by consistently delivering goods from the pick-up point to the clients' locations within the agreed-upon timeframes.
3. Maintaining high quality and safety standards by safe handling and transportation of goods.
4. Build strong industry partnerships with suppliers, carriers, and other stakeholders to enhance our capabilities, expand our network, and provide comprehensive logistics solutions to our clients.
5. Invest in our employees' growth and well-being through training programs, career advancement opportunities, and a supportive work environment.
6. Embrace technology and innovation such as advanced tracking systems etc

1.4 Keys to Success

1. Earning the trust and loyalty of client through reliability and timely delivery of goods.
2. Understanding and meeting the specific needs of our clients
3. Utilising technology to enhance efficiency, and closely managing resources that help us to minimise costs and maximise productivity.
4. Building a team of experienced and dedicated professionals who are well-versed in logistics operations and are committed to delivering excellent service.
5. Being able to adapt to changing market dynamics, customer demands, and industry trends.
6. Cultivating strong relationships with suppliers, carriers, and other industry stakeholders
7. Regular maintenance of trucks to ensure timely transportation of goods.

1.5 Location

The headquarters of the project are at Plot no 1347/48/208 at Mchafukoge, Bandi Street. The motor vehicles will be at a project location at plot no 20 at Mbagala.

1.6 Investment cost

The following will be investment cost for the company:

NR AUTOMOBILE & LOGISTICS LTD						
		2023	2024	2025	2026	2027
INVESTMENT COST	TOTAL USD	USD	USD	USD	USD	USD
Building	10,000	10,000	0	0	0	0
Machinery & Equipment	57,000	25,000	4,000	8,000	8,000	12,000
Motor Vehicles	3,345,950	669,190	669,190	669,190	669,190	669,190
Furniture	4,000	4,000	0	0	0	0
Working Capital	396,166	5,198	61,816	85,148	108,354	135,650
Operational cost	370,783	22,339	45,543	73,222	100,950	128,728
	4,183,898	735,726	780,549	835,561	886,494	945,569

The company expects to acquire 50 Semi trailers for the next 5 years and the trailers. The company will also buy some SUV for management purposes.

2.0 COMPANY DESCRIPTION

NR LOGISTICS is a private company established in Tanzania, licensed by the Business Registration and Licencing Agency (BRELA) under the Business Licencing Act No.25 with the Tax identification **No. 151-293-409** with effect from 23 March 2021.

The principal shareholders of the company are **RAHUL SHARMAPAL AGGARWAL** who owns 500 shares equivalent to 50% of the total shares and **NIKKI SHARMAPAL AGGARWAL** who holds 500 shares equivalent to 50% of the total shares.

SN	NAME	SHARES	PERCENTAGE
1	RAHUL SHARMAPAL	500	50%
2	NIKKI SHARMAPAL	500	50%

RAHUL SHARMAPAL AGGARWAL

She is a Tanzanian with an experience over a decade on coordination industry. She was born in 1984. She has enough experience in the transport sector.

NIKKI SHARMAPAL

He is a Tanzanian, with an experience over a decade on logistics industry. He was born in 1986. He has enough experience in the transport sector.

3.0 SERVICES

NR Logistic Company will offer a comprehensive range of road transportation services to meet the diverse needs of our clients. Our services will include:

1. Transporting goods from the port of Dar es Salaam to various locations across Tanzania and some neighbouring countries. Whether it is within the city or to remote areas, our fleet of vehicles and experienced drivers will ensure efficient and timely delivery.
2. Transporting general cargo, including manufactured goods, raw materials, equipment, and machinery. Our team will handle the entire transportation process, ensuring safe and secure delivery.
3. Transporting perishable goods such as food items, pharmaceuticals, and other temperature-sensitive products. With temperature-controlled vehicles and strict adherence to handling requirements, we will ensure the integrity and freshness of the cargo.
4. Transporting oversized and heavy equipment, including machinery, construction materials, and industrial components. We will ensure proper securing, handling, and delivery of these specialised cargoes.
5. We will offer dedicated transportation services for specific clients' needs, including long-term contracts for regular transportation requirements. This will provide businesses with consistent and reliable logistics solutions.
6. Tracking and Shipment Visibility: To enhance transparency and provide peace of mind to our clients, we will offer tracking systems and shipment visibility throughout the transportation process. Clients can monitor the progress of their shipments in real-time.
7. In addition to transportation, we will provide value-added services such as customs clearance assistance, documentation support, and cargo consolidation to streamline the logistics process and offer a comprehensive solution to our clients.

3.1 Technology

NR Logistic Company will deploy various technologies to enhance efficiency, transparency, and operational effectiveness in our road transportation services. Some key technologies we will utilize include:

1. Transportation Management System (TMS) that will help us to plan, execute, and optimize the physical movement of goods, both incoming and outgoing, and making sure the

transportation is compliant with rules and regulations, proper automated documentation, real time tracking etc.

2. Our fleet will be equipped with GPS tracking devices and telematics technology that will enable real-time monitoring of vehicle locations, route deviations, and estimated time of arrival (ETA). It will also facilitate effective communication with drivers, ensuring efficient dispatch and quick response to any issues or delays.

3. We will utilize Electronic Data Interchange (EDI) to exchange essential logistics information electronically with clients, suppliers, and other stakeholders. This will streamline communication, reduce manual data entry, and enhance accuracy and speed in processing orders, invoices, and other documentation.

5. We will develop a user-friendly online portal where clients can access shipment information, track their cargo, view invoices, and request services. This self-service platform will provide transparency and convenience, enabling clients to manage their logistics needs effectively.

6. To quicken the documentation processes, we will employ electronic document management systems that will ensure secure storage, quick retrieval, and efficient sharing of shipping documents, customs forms, and other essential paperwork.

7. Utilizing data analytics tools, we will gather and analyses logistics data to identify trends, optimize routes, and improve operational performance. This data-driven approach will enable us to make informed decisions, enhance efficiency, and continuously improve our services.

3.2 Tools and Equipment

NR Logistic Company will utilize a range of equipment to support our road transportation operations and ensure the safe and efficient handling of goods. The specific equipment includes:

1. Trucks and Trailers: We will maintain a fleet of reliable trucks and trailers suitable for various types of cargo. This will include flatbed trailers, dry van trailers, refrigerated trailers (for perishable goods), and specialized trailers for transporting oversized or heavy equipment.

2. Each vehicle in our fleet will be equipped with GPS tracking devices and telematics technology to provide real-time location tracking, route optimization, and monitoring of vehicle performance, enabling us to ensure on-time delivery and efficient operations.

3. We will utilize a range of material handling equipment, including forklifts, pallet jacks, and hand trucks that will enable efficient and safe handling of goods, especially in warehouses or during loading and unloading at client locations.

5. For the transportation of perishable goods, we will invest in temperature-controlled equipment, including refrigerated trucks or containers. These vehicles will maintain the required temperature range to preserve the quality and freshness of temperature-sensitive cargo.

6. Our vehicles will be equipped with safety equipment, including fire extinguishers, first aid kits, reflective signage, and safety cones. We will also provide personal protective equipment (PPE) to our drivers and warehouse staff to ensure a safe working environment.

4.0 MARKET ANALYSIS

NR LOGISTICS has an opportunity to entrench its competitive position in the regional transportation market by selectively focusing on its target market. The company has already had experience in servicing such clients and it believes that there is a growing demand for reliable transportation solutions in this customer segment.

4.1 Legality of the business

Land transportation is legal in Tanzania and is regulated by the Land Transport Regulatory Authority. This authority regulates land transport through compliance and fair trade practices.

4.2 Industry Trends

Globalisation will continue to increase the demand for transportation services. The report from the Ministry of Transport and communication of 2005 stated that Tanzania is still facing a shortage of transport facilities, especially trucks. Similarly, as roads are essential in Tanzania for growth, poverty reduction, and promotion of trade, about ten years ago the government realized that the road network was becoming a bottleneck. Accordingly, in the last years, the government instituted a number of reforms and, in collaboration with Development Partners, it has gradually invested in the transport sector, particularly in the road sub-sector, which has markedly improved the condition of roads.

Dar es Salaam is a major regional maritime hub and in competition with Mombasa as the main maritime hub in East Africa. While Mombasa is currently the largest port in the region, for its part, Dar es Salaam handles 4.1 million tonnes of dry cargo and six million tonnes of bulk liquid cargo annually. It also serves the landlocked countries of Malawi, Zambia, the DRC, Burundi, Rwanda and Uganda. Dar es Salaam's performance indicators compare well to those of other eastern and southern African ports. It has a low container dwell time, low truck processing time, and high crane productivity. As a result, the port leads sub-Saharan Africa in container handling productivity and ranks among the top in general cargo handling. But quality comes at a price. The European Union (EU) reports that shipping costs at Dar es Salaam are among the highest in the world. Currently, the cost of using the port is 24% higher than other port facilities in sub-Saharan Africa. What makes the Dar es Salaam port costlier than others are delays in cargo handling, as it suffers from significant capacity constraints.

4.3 Market segmentation

The market segmentation for NR Logistic Company in the road transportation industry can be based on various factors as summarized below



- **Industry-Based Segmentation:**

This includes, companies in manufacturing industries, Retailers, agriculture businesses, construction companies.

- **Geographic Segmentation:**

This includes local market i.e. businesses located within Dar es salaam, national market i.e. serving clients across Tanzania and international market i.e. neighbouring countries

- **Specialized Segmentation.**

This includes businesses dealing with perishable items such as foods and pharmaceuticals, clients needing specialized transportation for oversized and heavy machinery such as construction or industrial equipment. It also includes companies that transport fragile or sensitive cargo e.g. art work and high value products.

- **Customer Size Segmentation:**

This segment includes Small and Medium Enterprises (SMEs) and large corporations with higher volume shipments.

It is important to note that the specific market segments for NR Logistic Company will be based on market research, industry trends, and customer needs in the target market. The

company may further refine and adapt its market segmentation strategy based on the market dynamics and opportunities identified during the market analysis phase.

4.4 Target Market

The target market of NR Logistic Company includes businesses and industries that require road transportation services for the movement of goods from the port of Dar es Salaam to their respective locations. The primary target market is

1. Manufacturing Companies that rely on efficient logistics services to transport raw materials, components, and finished goods between suppliers, production facilities, and distribution centres.
2. Retail businesses, including both brick-and-mortar stores and e-commerce operations that require timely and reliable transportation services to ensure the smooth flow of products from warehouses or distribution centres to retail outlets or directly to customers.
3. Agricultural businesses dealing with the production and distribution of perishable goods, such as fresh produce, dairy products, and meats.
4. Construction companies that require transportation services to deliver construction materials, heavy equipment, machinery, and other supplies to project sites.

However, within the target market, NR Logistic Company may further refine its focus by considering factors such as customer size, specific industry requirements, and service specialization to ensure that the company's offerings align with the unique needs of each customer segment.

4.5 Main Competitors

The company is located in Dar es salaam a city known for its vast commercial activities. There are already pre-existing companies that have secured a good number of clients. The company will most likely face competition from some companies. While the specific competitors may vary over time, here are some of the main competitors that NR LOGISTICS may encounter;

1. DHL Tanzania Ltd: DHL is a global logistics company with a significant presence in Tanzania. They offer a wide range of logistics services, including road transportation, air freight, and express delivery solutions.

3. Tuff Logistics Ltd. It is a local logistics company in Tanzania that offers transportation, freight forwarding, and warehousing services. They have a strong network and expertise in road transportation.

4. Swift Transport & Logistics Ltd. They serve various industries, including manufacturing, retail, and construction.

5. Bon Voyage Logistics Limited. The company specializes in road transportation, customs clearance, and freight forwarding. They provide logistics solutions for various sectors, including manufacturing, construction, and oil and gas.

6. Triton Transporters Ltd. They provide transport solutions for general cargo, heavy equipment, and specialized shipments.

5.0 SALES AND MARKETING STRATEGY

The strategy of NR LOGISTICS is to consolidate its good customer and client service by making timely deliveries, hiring the best drivers and having a competitive pricing structure.

Key components of our initial strategy are to expand our fleet of trucks to increase the number of clients we are able to serve and digitization to improve efficiency which is reshaping the marketplace.

5.1 Value proposition

The value proposition of NR Logistic Company encompasses the unique benefits and advantages that set us apart from competitors and create value for our customers. Our value proposition includes:

1. Reliable and Timely Delivery ensuring that our clients' goods are transported promptly.
2. Customized Solutions tailored to meet specific needs, whether it's handling specialized cargo, providing temperature-controlled transportation, or managing oversized or heavy equipment.
3. Exceptional Customer Service through providing prompt and professional assistance, maintaining open communication, and proactively addressing any concerns or inquiries.
4. Expertise and Industry Knowledge. We leverage this knowledge to optimize operations, provide guidance on logistics-related challenges, and offer valuable insights to our clients.
5. Our strategic location in Dar es Salaam City, close to the port, gives us a logistical advantage.
6. NR Logistic Company embraces advanced technology tools and systems to enhance efficiency and provide real-time visibility.

5.2 Marketing and Branding strategy

Marketing and Branding Strategy for NR Logistic Company are;

- **Brand Identity Development.** We will develop a strong and cohesive brand identity that reflects the company's values, mission, and unique selling propositions. We will also create a distinctive logo, tagline, and visual elements that resonate with the target audience and convey professionalism, reliability, and trustworthiness.

- Targeted Marketing Campaigns. We will make use of the key target market segments and develop tailored marketing campaigns to reach businesses in those segments. We will utilize a mix of marketing channels, such as online advertising, industry publications, social media platforms, and participation in trade shows or industry events, to raise awareness and generate leads.
- Digital Presence and Online Visibility. We will build an informative and user-friendly website that showcases NR Logistic Company's services, industry expertise, and customer testimonials. We will optimize the website for search engines to improve online visibility and attract organic traffic from businesses searching for logistics services.
- Social Media Engagement. We will establish an active presence on relevant social media platforms to engage with the target audience, share industry insights, and promote the company's services, drive traffic to the website, and generate leads. We will also encourage customer feedback and reviews on social media platforms to enhance brand credibility and reputation.
- We will position NR AUTOMOBILES & LOGISTICS Company as an expert in the logistics industry by publishing thought leadership articles, participating in industry forums, and offering expert opinions in relevant publications. We will use strategic partnerships with complementary businesses, such as freight forwarders or customs brokers, to leverage their networks and expand the reach of NR Logistic Company's services.
- Customer Referral Program to encourage satisfied clients to refer NR Logistic Company to their business contacts and industry peers. Additionally, we will offer incentives or rewards for successful referrals, such as discounts on services or exclusive benefits, to motivate customers to actively promote the company.
- We will Regularly monitor brand perception and customer feedback to ensure alignment with the intended brand image and make necessary adjustments. We will do so by Conducting periodic brand audits to evaluate the effectiveness of marketing efforts, assess brand consistency, and identify areas for improvement.

5.3 Competitive advantage

The competitive advantage of NR Logistic Company lies in several key areas that set us apart from competitors and contribute to our success in the logistics industry. Our competitive advantages include:

- Strategic Location provides us with a logistical advantage
- We offer a wide range of road transportation services
- We provide personalized and tailored solutions to meet specific customer needs.
- We are committed to building long-lasting relationships with our clients by delivering responsive, reliable, and personalized customer support.
- Technological Advancements.
- With our extensive experience and in-depth knowledge of the logistics industry, we bring a high level of expertise to our services.
- Strong Network and Partnerships.

5.4 Pricing Strategy

NR Logistic Company's pricing strategy is designed to balance competitiveness in the market while ensuring profitability and sustainable growth. Our pricing strategy includes the following elements:

- **Competitive Pricing.** We aim to offer pricing that is competitive and attractive to customers while taking into account the value and quality of our services.
- **Value-Based Pricing.** We strive to align our prices with the value that customers receive from choosing NR Logistic Company as their logistics partner.
- **Transparent Pricing Structure:** We provide clear and transparent pricing structures that outline the breakdown of costs and any additional services or surcharges.
- **Flexibility for Customization.** We offer flexibility in our pricing to accommodate customization and volume-based discounts.
- We aim to minimize operational expenses, which allows us to offer competitive pricing without compromising on service quality.
- We may consider offering loyalty programs or incentives for clients who consistently choose NR Logistic Company for their transportation needs. These initiatives can include discounted rates, preferential treatment, or additional value-added services.

6.0 ORGANISATION AND MANAGEMENT

Organizational and Management Structure of NR Logistic Company:

Chief Executive Officer - Provides strategic direction, oversees overall operations, and ensures the company's vision and mission are upheld.

Finance Manager - Manages financial planning, budgeting, and reporting, ensuring sound financial management and profitability.

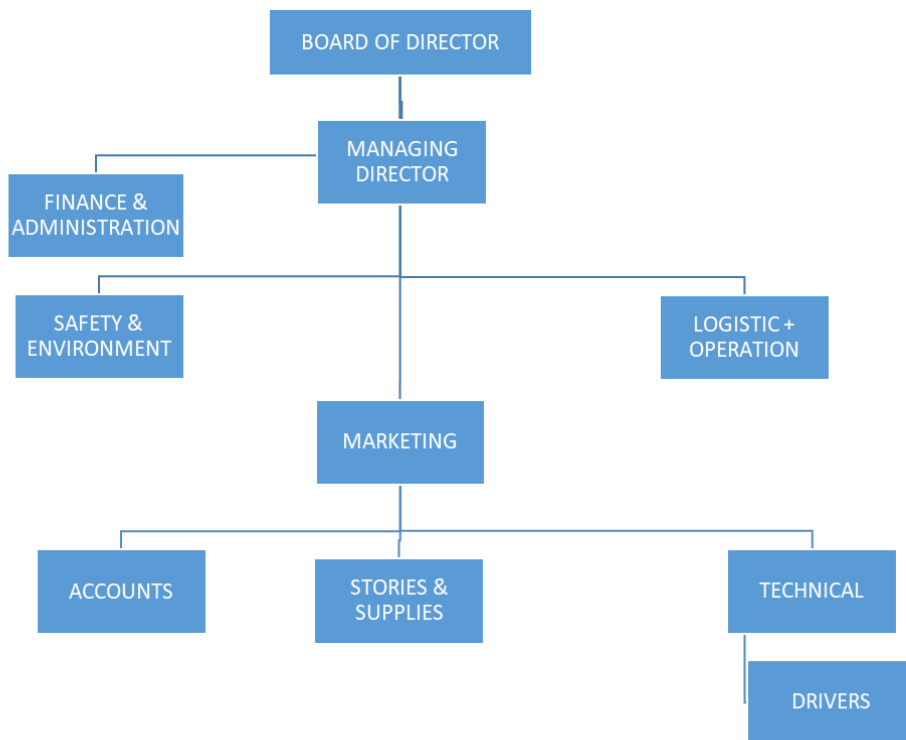
Chief Operations Officer - Oversees day-to-day operations, including logistics, transportation, warehousing, and fleet management.

6.1 Management Structure

The diagram below represents the organisation structure of our company.

6.2 Departments and Key Roles:

- **Operations Department** - Responsible for managing the logistics operations, including transportation planning, fleet management, and ensuring timely and efficient delivery of goods.
- **Sales and Marketing Department** - Focuses on market research, lead generation, customer acquisition, and maintaining client relationships. Key roles may include sales managers, marketing specialists, and customer relationship managers.
- **Finance and Accounting Department** - Handles financial planning, budgeting, accounting, and financial reporting. This department ensures compliance with financial regulations and manages cash flow and financial analysis.
- **Human Resources Department** - Manages recruitment, employee onboarding, training and development, performance management, and ensures adherence to labor laws and regulations.
- **IT and Systems Department** - Responsible for managing technology infrastructure, software systems, data management, and IT support to enable efficient operations and communication.
- **Customer Service Department** - Handles customer inquiries, order processing, and issue resolution, ensuring exceptional customer service and satisfaction.



7.0 RISK ANALYSIS

Some of the risks that the company may encounter include;

1. Operational Risks:
 - Delays or disruptions in transportation due to traffic congestion, accidents, or road closures.
 - Equipment breakdowns or maintenance issues that may impact the timely delivery of goods.
 - Inefficient route planning or poor load optimization, leading to suboptimal utilization of resources.
2. Financial Risks:
 - Fluctuations in fuel prices, which can affect operational costs and profitability.
 - Credit risks associated with customers who may delay or default on payment.
 - Increased competition and price pressure, affecting pricing strategies and profit margins.
3. Regulatory Risks:
 - Non-compliance with transportation regulations, such as licensing, permits, and vehicle safety standards.
 - Changing regulations and compliance requirements related to customs, border crossings, or cross-border operations.
 - Increased scrutiny on environmental regulations and sustainability practices.

7.1 Mitigation Strategies for Risks:

1. Operational Risk Mitigation:
 - Implement robust maintenance schedules and preventive measures to minimize equipment breakdowns and ensure the availability of backup vehicles.
 - Utilize real-time tracking and communication systems to monitor traffic conditions and proactively manage potential delays.
 - Invest in advanced technology solutions, such as transportation management systems (TMS), to optimize route planning, load optimization, and overall operational efficiency.
2. Financial Risk Mitigation:
 - Conduct thorough credit checks and establish credit terms and payment policies to mitigate the risk of late or non-payment.
 - Regularly monitor fuel prices and establish fuel hedging strategies to mitigate the impact of price fluctuations.
 - Diversify the customer base to reduce reliance on a single client or industry, minimizing the risk of revenue concentration.
3. Regulatory Risk Mitigation:

- Stay updated with transportation regulations and maintain necessary licenses, permits, and certifications.
- Establish robust compliance processes and internal controls to ensure adherence to regulations, safety standards, and documentation requirements.
- Foster a culture of compliance and provide training to employees on transportation regulations, safety protocols, and best practices.

7.2 Contingency Plans for Unforeseen Circumstances:

- Obtain insurance for the fleets of cars and properties from a certified and reliable insurer
- Develop contingency plans for potential disruptions, such as alternative route options, backup vehicles, and alternative transportation modes (if applicable).
- Maintain relationships with alternative suppliers, subcontractors, or service providers to mitigate the impact of any unforeseen circumstances.
- Implement a crisis management plan that includes communication protocols, emergency response procedures, and business continuity strategies.

8.0 SWOT ANALYSIS

SWOT Analysis for NR Logistic Company:

8.1 Strengths

1. Strategic Location
2. The Company provides a wide range of road transportation services
3. Customization and Flexibility
4. Exceptional customer service

8.2 Weaknesses

1. As a relatively new company, NR Logistic Company may face challenges related to brand recognition and awareness within the market. Building a strong brand presence will require targeted marketing efforts and consistent messaging.
2. Limited financial and operational resources may pose challenges in expanding fleet size, investing in advanced technologies, or scaling up operations. The company needs to carefully manage resources to ensure sustainable growth.

8.3 Opportunities

1. Tanzania's growing economy and increasing trade volumes present opportunities for NR Logistic Company to tap into a rising demand for efficient and reliable transportation services.
2. Embracing advanced technologies, such as GPS tracking, telematics, and transportation management systems, offers opportunities to enhance operational efficiency, optimize routes, and provide real-time visibility to clients.

8.4 Threats

1. The logistics industry in Tanzania is highly competitive, with established players and new entrants vying for market share. NR Logistic Company must differentiate itself through superior service quality, customized solutions, and competitive pricing.
2. Changes in transportation regulations, customs procedures, or safety standards could pose compliance challenges and impact operational efficiency. Staying up-to-date with regulations and adapting processes accordingly is crucial to mitigate potential threats.

3. Fluctuations in the economy, currency exchange rates, and fuel prices can impact the cost of operations, profitability, and overall business performance.

9.0 CONCLUSION AND RECOMMENDATIONS

9.1 Conclusion

In conclusion, NR Logistic Company is poised to establish itself as a reputable and competitive player in the logistics industry, specializing in road transportation services to various destinations. With its strategic location, comprehensive service offerings, customer-centric approach, and commitment to customization, NR Logistic Company has the potential to meet the evolving needs of businesses and excel in the Tanzanian market.

9.2 Recommendations

1. TIC should provide all necessary facilitation and incentive needed for the company to do investment.
2. The company should foster strategic partnerships with complementary businesses, such as freight forwarders or customs brokers, to leverage their networks, expand service capabilities, and enhance customer reach.
4. Prioritize ongoing training and development programs for employees to enhance their skills, industry knowledge, and customer service capabilities.
5. Embrace a culture of continuous improvement, regularly reviewing operational processes, customer feedback, and industry trends. Implement feedback loops to gather insights from clients and incorporate their suggestions for enhanced service delivery.
6. Explore opportunities to expand services to neighbouring countries and target specific industries or niche markets that exhibit high growth potential.
7. Regularly review and update risk management strategies, including contingency plans for unforeseen circumstances, compliance with regulations, and safety measures. Stay vigilant about potential risks and adapt mitigation strategies as necessary.

**NR AUTOMOBILES & LOGISTICS
LIMITED**

**FINANCIAL PROJECTIONS FOR THE
YEAR 2023 TO 2027**

NR AUTOMOBILE & LOGISTICS LTD

Assumptions

planning years >>

	2023	2024	2025	2026	2027
Currency	USD	USD	USD	USD	USD
Income tax rate	30%	30%	30%	30%	30%
Ave number of days for payment of	20	20	20	20	20
Ave number of days of inventory stock	0	0	0	0	0
Average number of days for payment of payables	21	21	21	21	21
Dividends in relation to net profit	5%	5%	5%	0%	0%
Percentage of profit to be allocated to the reserves	0%	0%	0%	0%	0%

NR AUTOMOBILE & LOGISTICS LTD

		2023	2024	2025	2026	2027
INVESTMENT COST	TOTAL USD	USD	USD	USD	USD	USD

Building	10,000	10,000	0	0	0	0
Machinery & Equipment	57,000	25,000	4,000	8,000	8,000	12,000
Motor Vehicles	3,345,950	669,190	669,190	669,190	669,190	669,190
Furniture	4,000	4,000	0	0	0	0
Working Capital	396,166	5,198	61,816	85,148	108,354	135,650
Operational cost	370,783	22,339	45,543	73,222	100,950	128,728
	4,183,898	735,726	780,549	835,561	886,494	945,569

Financing plan

	Total	2023	2024	2025	2026	2027
Equity contribution	1,106,922	200,374	245,197	300,209	351,142	410,217
Loans at the beginning	2,676,760	535,352	535,352	535,352	535,352	535,352
Repayments at the end	2,676,760	0	240,000	480,000	600,000	1,356,760

Interest rate	2%	9%	9%	9%	9%
Minimum cash in relation to operating costs	5%	5%	5%	5%	5%
Dept to equity ratio - acceptable by the bank	10.0	10.0	10.0	10.0	10.0
Amount deposited (at the end of the year)	0	0	0	0	0
Interest rate	0%	0%	0%	0%	0%

Depreciation period: linear, in years

Land and building	50
Plant & Machinery	15
Motor vehicles	10
Furniture	8
Computers	33
Working Capital	15

NR AUTOMOBILE & LOGISTICS LTD

PROJECTED SALES

planning years

	2023	2024	2025	2026	2027
	USD	USD	USD	USD	USD
Type					
30 - tons Trucks	108,000	600,000	990,000	1,320,000	1,650,000
30 - tons Trailers	108,000	600,000	990,000	1,320,000	1,650,000
40 - tons Trucks	-	-	-	-	-
40 - tons Trailers	-	-	-	-	-
Fuso Trucks	-	-	-	-	-
Fuel Tankers	-	-	-	-	-
AMOUNT ANNUAL	216,000	1,200,000	1,980,000	2,640,000	3,300,000
GRAND TOTAL	216,000	1,200,000	1,980,000	2,640,000	3,300,000

NR AUTOMOBILE & LOGISTICS LTD

Statement of Comprehensive Income

planning years >>

	2023 USD	2024 USD	2025 USD	2026 USD	2027 USD
Total revenues	216,000	1,200,000	1,980,000	2,640,000	3,300,000
Cost of goods sold COGS	133,838	214,141	214,141	214,141	226,989
Gross profit	82,162	985,859	1,765,859	2,425,859	3,073,011
Administrative expenses	15,380	104,702	155,581	206,375	261,304
Operating profit / EBITDA	66,782	881,157	1,610,278	2,219,484	2,811,707
Depreciation	35,465	143,007	217,895	295,328	295,328
Interest expenses	11,376	76,010	116,115	120,820	115,325
Extraordinary charges	1,800	2,300	3,800	5,800	7,300
Fees and provisions	1,500	1,500	1,500	2,000	2,000
Other	300	800	2,300	3,800	5,300
Income tax	5,442	197,952	381,740	539,261	718,126
Net profit	12,698	461,888	890,727	1,258,275	1,675,628

NR AUTOMOBILE & LOGISTICS LTD

Statement of Financial Position

planning years >>

	2023 USD	2024 USD	2025 USD	2026 USD	2027 USD
Long-term assets					
Fixed assets: property, plant and equipment	700,261	1,337,802	1,955,468	2,546,633	3,196,873
Total long-term assets	700,261	1,337,802	1,955,468	2,546,633	3,196,873
Current assets					
Cash & cash equivalents (current account)	43,393	90,700	331,838	898,135	1,066,691
Accounts receivable	11,836	65,753	108,493	144,658	180,822
Total current assets	55,229	156,453	440,331	1,042,793	1,247,513
Total assets	755,490	1,494,256	2,395,799	3,589,426	4,444,386
Long-term liabilities					
Long-term loans	535,352	830,704	886,056	821,408	0
Total long-term liabilities	535,352	830,704	886,056	821,408	0
Current liabilities					
Accounts payable	7,700	12,320	12,320	12,320	13,060
Total current liabilities	7,700	12,320	12,320	12,320	13,061
Shareholders equity					
Share capital	200,374	200,374	200,374	200,374	200,375
Retained earnings	12,063	450,857	1,297,048	2,555,323	4,230,951
Total shareholders' equity	212,438	651,231	1,497,422	2,755,697	4,431,326
Total liabilities & equity	755,490	1,494,256	2,395,799	3,589,426	4,444,387

NR AUTOMOBILE & LOGISTICS LTD**Cash flow statement***planning years >>*

	2023	2024	2025	2026	2027
	USD	USD	USD	USD	USD
<i>Cash flow from operating activities</i>					
Operating profit (EBITDA)	66,782	881,157	1,610,278	2,219,484	2,811,707
Interest expenses	-11,376	-76,010	-116,115	-120,820	-115,325
Extraordinary charges (or incomes)	-1,800	-2,300	-3,800	-5,800	-7,300
Income tax	-5,442	-197,952	-381,740	-539,261	-718,126
<i>Movements in working capital</i>					
Decrease (or - increase) in accounts receivable	-11,836	-53,918	-42,740	-36,164	-36,164
Decrease (or - increase) in inventories	0	0	0	0	0
Increase (or - decrease) in accounts payable	7,700	4,620	0	0	739
Increase (or - decrease) in other provisions	0	0	0	0	0
Total cash flow from operating activities	44,028	555,598	1,065,883	1,517,439	1,935,532
<i>Cash flow from investing activities</i>					
Sale (or - purchase) of fixed assets	-735,726	-780,549	-835,561	-886,494	-945,569
Total cash flow from investing activities:	-735,726	-780,549	-835,561	-886,494	-945,569
<i>Cash flow from financing activities</i>					
Long term loans drawn	535,352	535,352	535,352	535,352	535,352
Repayments of loans made	0	-240,000	-480,000	-600,000	-1,356,760
Equity contribution (or - withdrawal)	200,374	0	0	0	0
Dividend paid	-635	-23,094	-44,536	0	0
Total cash flow from financing activities	735,091	272,258	10,816	-64,648	-821,408
Total net increase (- decrease) in cash	43,393	47,306	241,138	566,297	168,555
Cash beginning of year	0	43,393	90,700	331,838	898,135
Cash balance: end of the year	43,393	90,700	331,838	898,135	1,066,691

NR AUTOMOBILE & LOGISTICS LTD**Investment and depreciation plan***planning years >>*

	2023	2024	2025	2026	2027
	USD	USD	USD	USD	USD
<i>Investment</i>					
Land and building	10,000	0	0	0	0
Machinery & Equipment	25,000	4,000	8,000	8,000	12,000
Motor vehicles	669,190	669,190	669,190	669,190	669,190
Furniture & Fixtures	4,000	0	0	0	0
Working Capital	5,198	61,816	85,148	108,354	135,650
Operational Cost	22,339	45,543	73,222	100,950	128,728
Total investment	735,726	780,549	835,561	886,494	945,569
Fixed assets accumulated: at cost	735,726	1,516,275	2,351,836	3,238,330	4,183,898
<i>Depreciation</i>					
1-Depreciation for Land and building	100	200	200	200	200
2-Depreciation for Machinery & Equipment	833	1,933	2,467	3,000	3,000
3-Depreciation for Motor vehicles	33,460	133,838	200,757	267,676	267,676
4-Depreciation for Furniture & Fixtures	250	500	500	500	500
5-Depreciation for Working Capital	78	2,010	4,565	7,815	7,815
6-Depreciation for Operational Cost	745	4,525	9,407	16,137	16,137
Total depreciation	35,465	143,007	217,895	295,328	295,328
Total depreciation accumulated	35,465	178,473	396,368	691,697	987,025
Net asset book value	700,261	1,337,802	1,955,468	2,546,633	3,196,873

NR AUTOMOBILE & LOGISTICS LTD**Financing plan***planning years >>***2023**
USD**2024**
USD**2025**
USD**2026**
USD**2027**
USD***Shareholders equity***

Equity contribution	200,374	0	0	0	1
Share capital	200,374	200,374	200,374	200,374	200,375

Long-term loans from bank

Loans drawn at the beginning of the year	535,352	535,352	535,352	535,352	535,352
Repayments made at the end of the year	0	240,000	480,000	600,000	1,356,760
Basis for interest calculation - end of year	535,352	1,070,704	1,366,056	1,421,408	1,356,760
Interest rate	2%	9%	9%	9%	9%
Interest expenses	11,376	76,010	116,115	120,820	115,325
Loan balance: year-end (goes to balance sheet)	535,352	830,704	886,056	821,408	0

Liquidity control

Operating costs	149,218	318,843	369,722	420,516	488,293
Minimum cash in relation to operating costs	5%	5%	5%	5%	5%
Minimum cash balance required	7,461	15,942	18,486	21,026	24,415
Actual cash balance at the end of the year	43,393	90,700	331,838	898,135	1,066,691

Dept to equity relation control

Dept to equity ratio - planned	2.6	1.3	0.6	0.3	0.0
Dept to equity ratio - acceptable by the bank	10.0	10.0	10.0	10.0	10.0

NR AUTOMOBILE & LOGISTICS LTD INTERNAL RATE OF RETURN

planning years >>

		2023 USD	2024 USD	2025 USD	2026 USD
NET CASHFLOW		43,393	90,700	331,838	898,135
DCF (15%)	0.13	0.885	0.783	0.613	0.376
NPV AT (15%DCF)		38,401	71,031	203,522	337,842
Total NPV at 15% DCF	650,797				
DCF(10%)	0.08	0.926	0.857	0.735	0.540
NPV AT (10%DCF)		40,179	77,760	243,911	485,234
Total NPV at 10% DCF	847,085				
IRR=	14.5				

NR AUTOMOBILE & LOGISTICS LTD BREAK EVEN ANALYSIS

planning years >>

	2023 USD	2024 USD	2025 USD	2026 USD	2027 USD
Sales Revenue	216,000	1,200,000	1,980,000	2,640,000	3,300,000
Variable Costs	149,218	318,843	369,722	420,516	488,293
Contribution Margin	66,782	881,157	1,610,278	2,219,484	2,811,707
Fixed Costs	735,726	1,516,275	2,351,836	3,238,330	4,183,898
Contribution Margin Ratio %	3.23	38.89	38.89	39.25	40.25
Beak even Sales	227,469	38,985	60,480	82,499	103,940
Break even Point (%)	0.01	0.31	0.33	0.32	0.32

Ratio summary sheet

planning years >>

	2023 USD	2024 USD	2025 USD	2026 USD	2027 USD
Liquidity ratios					
Current ratio	7.2	12.7	35.7	84.6	95.5
Quick test ratio	7.2	12.7	35.7	84.6	95.5
Efficiency ratios					
Inventory turnover -days	0	0	0	0	0
Accounts receivable turnover -days	20	20	20	20	20
Accounts payable turnover -days	21	21	21	21	21
Fixed asset turnover	0.3	0.9	1.0	1.0	1.0
Total asset turnover	0.3	0.8	0.8	0.7	0.7
Profitability ratios					
Gross profit margin	38%	82%	89%	92%	93%
Net profit margin	6%	38%	45%	48%	51%
Operating profit margin	31%	73%	81%	84%	85%
Return on assets	2%	31%	37%	35%	38%
Return on equity	6%	71%	59%	46%	38%
Dividend payout	5%	5%	5%	0%	0%
Solvency ratios					
Debt to equity ratio	2.6	1.3	0.6	0.3	0.0
Total assets to equity ratio	3.6	2.3	1.6	1.3	1.0
Total assets to total liabilities ratio	1.4	1.8	2.7	4.3	340.3
Capitalisation ratio	0.7	0.6	0.4	0.2	0.0

NR AUTOMOBILE & LOGISTICS LTD

Employees salaries

No.	Personnel category	Number of employees					nssf	Medical Insurance
		2023	2024	2025	2026	2027		
1	Directors	2	2	2	2	2	5%	3%
2	Logistic Manager	1	1	1	1	1	5%	2%
3	Marketing officer	1	1	1	1	1	5%	2%
4	Accountant	1	1	1	1	1	5%	2%
5	Technician	4	4	4	4	4	5%	2%
6	Secretary	1	1	1	1	1	5%	2%
7	Drivers	10	20	30	40	50	5%	2%
8	Assistant drivers	10	20	30	40	50	5%	2%
9	Office attendants	1	1	1	1	1	5%	2%
Subtotal		31	51	71	91	111		

No.	Personnel category	Annual salary (1)/ employee USD				
		2023	2024	2025	2026	2027
1	Directors	1,500	6,300	6,615	6,946	7,293
2	Logistic Manager	600	2,520	2,646	2,778	2,917
3	Marketing officer	450	1,890	1,985	2,084	2,188
4	Accountant	600	2,520	2,646	2,778	2,917
5	Technician	240	1,008	1,058	1,111	1,167
6	Secretary	300	1,260	1,323	1,389	1,459
7	Drivers	300	1,260	1,323	1,389	1,459
8	Assistant drivers	150	630	662	695	729
9	Office attendants	90	378	397	417	438

No.	Personnel category	Total cost / employee USD				
		2023	2024	2025	2026	2027
1	Directors	788	6,489	6,813	6,946	7,293
2	Logistic Manager	315	2,570	2,699	2,778	2,917
3	Marketing officer	236	1,928	2,024	2,084	2,188
4	Accountant	315	2,570	2,699	2,778	2,917
5	Technician	126	1,028	1,080	1,111	1,167
6	Secretary	158	1,285	1,349	1,389	1,459
7	Drivers	158	1,285	1,349	1,389	1,459
8	Assistant drivers	79	643	675	695	729
9	Office attendants	47	386	405	417	438

No.	Personnel category	Total cost / category				
		USD				
		2023	2024	2025	2026	2027
1	Directors	1,575	12,978	13,627	13,892	14,586
2	Logistic Manager	315	2,570	2,699	2,778	2,917
3	Marketing officer	236	1,928	2,024	2,084	2,188
4	Technician	504	4,113	4,318	4,445	4,668
5	Secretary	158	1,285	1,349	1,389	1,459
	Drivers	1,575	25,704	40,484	55,566	72,930
	Assistant drivers	788	12,852	20,242	27,783	36,465
6	Office attendants	47	386	405	417	438
Subtotal		5,198	61,816	85,148	108,354	135,650
Total		5,198	61,816	85,148	108,354	135,650

NR AUTOMOBILE & LOGISTICS LTD

Cost Summary

planning years >>

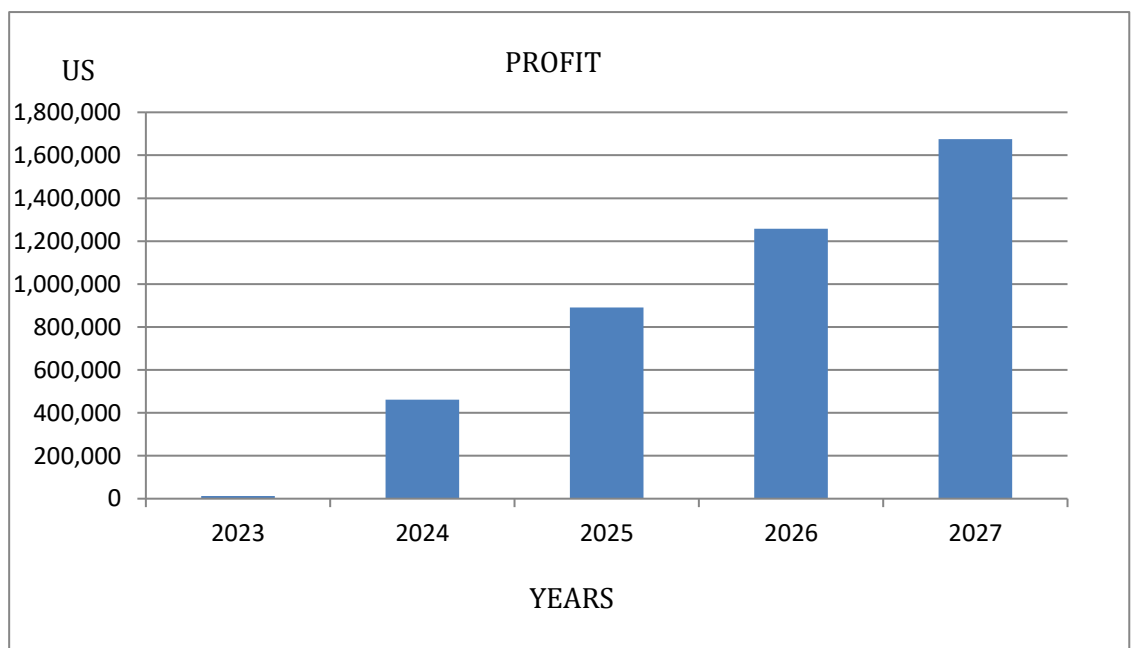
	2023	2024	2025	2026	2027
	USD	USD	USD	USD	USD
Fuel Cost	100,379	80,303	80,303	80,303	80,303
Equipment and Maintenance	33,460	133,838	133,838	133,838	133,838
Total	133,838	214,141	214,141	214,141	214,141

Administrative expenses

Salaries	5,198	61,816	85,148	108,354	135,650
Insurance	13,384	26,768	53,535	80,303	107,070
Professional Fees	6,325	13,283	13,947	14,644	15,376
Printing & Stationery, Telephone	1,265	2,657	2,789	2,929	3,075
Marketing & Advertising	100	180	162	146	131
Total	7,690	104,702	155,581	206,375	261,304

NR AUTOMOBILE & LOGISTICS LTD					
planning years >>	2023	2024	2025	2026	2027
Vehicle					
30 - tons Trucks	10	10	10	10	10
30 - tons Trailers	10	10	10	10	10
Cost Prices per truck					
30 - tons Trucks	45,763	45,763	45,763	45,763	45,763
30 - tons Trailers	21,156	21,156	21,156	21,156	21,156
Investment Cost					
30 - tons Trucks	457,630	457,630	457,630	457,630	457,630
30 - tons Trailers	211,560	211,560	211,560	211,560	211,560
TOTAL COST	669,190	669,190	669,190	669,190	669,190

NR AUTOMOBILE & LOGISTICS LTD					
PROFIT					
planning years >>	2023	2024	2025	2026	2027
Profit for the year	12,698	461,888	890,727	1,258,275	1,675,628



CASH FLOW

planning years >>

	2023	2024	2025	2026	2027
Profit for the year	43,393	90,700	331,838	898,135	1,066,691

