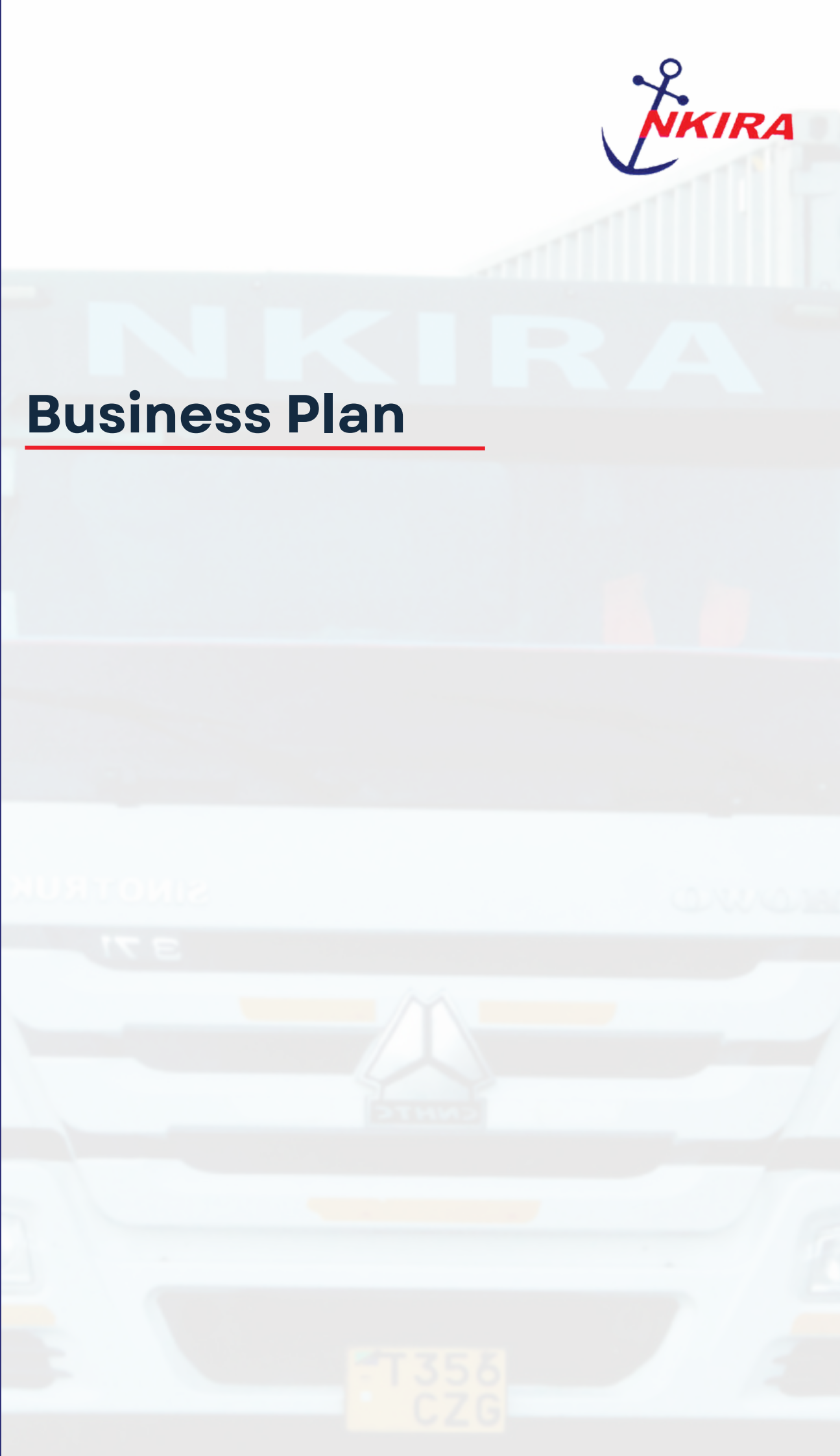




Nkira Trading and Investments (T) Ltd

# Business Plan





## Executive Summary:

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Nkira Trading and Investments (T) Ltd plans to expand its operations over the next three years by purchasing 13 new trucks. This strategic investment aims to increase our capacity, improve operational efficiency, and capitalize on emerging market opportunities in the transportation sector. Through this expansion, we anticipate significant revenue growth and enhanced profitability, positioning Nkira Trading (T) Ltd as a leading player in the industry.

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## Company Overview:

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Nkira Trading] is a reputable transportation company based in Dar es salaam. We specialize in providing logistics and transportation services to a diverse clientele, including manufacturers, distributors, and retailers. With a proven track record of reliability and customer satisfaction, we have established ourselves as a trusted partner in the industry.

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## Market Analysis:

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The transportation industry in Tanzania is experiencing steady growth, driven by economic development, urbanization, and increased trade activities. There is a growing demand for efficient and reliable transportation services to facilitate the movement of goods and commodities across the country. By expanding our fleet, Nkira Trading (T) Ltd aims to capture a larger market share and capitalize on these favorable market conditions.

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## **Objectives:**

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1. Purchase 13 new trucks to expand our fleet.
  2. Increase operational capacity to meet growing demand.
  3. Improve service quality and reliability.
  4. Enhance profitability through cost optimization and revenue growth.
  5. Strengthen our competitive position in the market.
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## **Strategies:**

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1. Fleet Expansion: Acquire 13 new trucks equipped with advanced technology and features to ensure reliability and efficiency in operations.
  2. Market Penetration: Target new geographical areas and sectors with high demand for transportation services, leveraging our expanded fleet capacity.
  3. Customer Focus: Maintain a customer-centric approach by providing personalized and reliable transportation solutions tailored to meet the specific needs of our clients.
  4. Operational Efficiency: Implement measures to optimize route planning, fuel consumption, and vehicle maintenance to reduce operational costs and maximize efficiency.
  5. Talent Development: Invest in training and development programs for our drivers and staff to ensure high standards of service delivery and safety compliance.
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## **Financial Projections:**

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- Year 1: Incremental revenue from new truck operations; moderate increase in profitability.
  - Year 2: Continued revenue growth with optimized operational efficiency; improved profitability.
  - Year 3: Maximum utilization of fleet capacity; significant revenue and profit growth.
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# ASSUMPTIONS ON PROJECTED CASH FLOWS FOR 36 MONTHS STARTING MARCH 2024

## Assumptions:

1. Vehicle Asset Financing facility of USD 386,000 with tenure of 36 months at 19% annual interest rate , the loan will be repaid every month.
2. The business environment will continue to be stable and after addition of Eight trucks the turnover of the business will increase by 25%
3. The Direct Costs of the business will evenly increase after addition of 10 trucks and Trailers BUT the margin of the company will increase due to the reduction of the costs of hiring (outsourcing) of the trucks from other companies to meet the demand of the clients
4. Currently the company own 18 trucks
5. The average income per one truck per trip is USD 14,500, for the round international trips., one trip is estimated to take average 45 days from Dar Es Salaam to destination outside Tanzania. Therefore, one truck is estimated to conduct 9 trips per year generating the average income of USD 130,500 per year for international round trips.

## Current status

	Average number of Trucks operating per year	Average income per truck per year (Assumption: Each truck will conduct 9 trips per year, and income per return trip is USD 14,500 for International round trips)	Average income per year (USD)	Average Income per year (TZS)
International Trips	18	130,500	2,349,000	5,543,640,000
<b>TOTAL</b>				<b>5,543,640,000</b>



## PROJECTIONS

	Average number of Trucks operating per year	Average income per truck per year (Assumption: Each truck will conduct 9 trips per year, and income per round trip is USD 14,500 for International )	Average income per year (USD)	Average Income per year (TZS)
International Trips	26	130,500	3,393,000	8,007,480,000
<b>TOTAL</b>				<b>8,007,480,000</b>

## THE IMPACT OF OWNED VEHICLES ON THE COSTS AND MARGIN OF THE BUSINESS

PARTICULARS	2023	2024	2025	2026
		TZS '000'	TZS'000'	TZS'000'
Revenue	5,397,566,564.00	8,095,150.45	11,354,198.55	14,075,767.44
Cost of sales				
Direct costs	4,240,847,191.00	4,452,332.75	6,244,809.20	7,741,672.09
<b>Gross profit</b>	<b>1,156,719,373.00</b>	<b>3,642,817.70</b>	<b>5,109,389.35</b>	<b>6,334,095.35</b>
<b>Cost per Revenue</b>	<b>79%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>
<b>Gross profit Margin</b>	<b>21%</b>	<b>45%</b>	<b>45%</b>	<b>45%</b>
Other income		-	-	-
<b>Net Profit</b>	<b>1,156,719,373.00</b>	<b>3,642,817.70</b>	<b>5,109,389.35</b>	<b>6,334,095.35</b>



### Risk Management:

.Market Fluctuations: Monitor market trends and adjust operational strategies accordingly to mitigate the impact of fluctuations in demand and fuel prices.

- Regulatory Compliance: Stay updated with regulatory requirements and ensure full compliance with safety and licensing standards to mitigate legal risks.

. Economic Uncertainty: Diversify revenue streams and maintain a strong financial position to withstand economic downturns and market volatility.

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### Conclusion:

The purchase of 13 new trucks represents a strategic investment for Nkira Trading (T) Ltd to expand its operations and capitalize on growth opportunities in the transportation sector. With a focus on operational efficiency, customer satisfaction, and financial sustainability, we are confident in achieving our objectives and driving long-term success for our business.

Nkira Trading (T) Ltd looks forward to embarking on this exciting journey of growth and innovation, and we invite stakeholders to join us in realizing our vision for the future.

Vanessa W. Urassa

Director( Nkira Trading & Investments (T) Ltd )

Signed,

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