

LLOYDS PHARMACY (T) LIMITED

BUSINESS PLAN

FOR

PROVIDING MEDICAL LABARATORY SERVICES



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1.0 Executive Summary

LLOYDS PHARMACY (T) LIMITED is a company incorporated in Tanzania with Certificate of Incorporation with No.179092395 dated 25th October, 2024 committed to providing the most convenient, friendliest medical testing service to the Dar es Salaam and the surrounding area. LLOYDS PHARMACY (T) LIMITED has been founded as a limited company. LLOYDS PHARMACY (T) LIMITED will quickly gain market share serving the Dar es Salaam community.

2.0 Objectives

- LLOYDS PHARMACY (T) LIMITED has established with main objective of providing medical laboratory services
- To provide medical laboratory test for 300,000 in year
- Develop 40% of the revenues from consultancy services and pharmaceutical selling.
- Reach profitability within 12 months.

2.1 Mission

It is LLOYDS PHARMACY (T) LIMITED ' mission to serve customers with fast, accurate, private, reasonably priced blood

testing services. LLOYDS PHARMACY (T) LIMITED exists to exceed all of their customer's expectations.

2.2 Keys to Success

- Lease space in the Msasani Peninsula, the location of our primary target market.
- Set up a strong contract with a large local laboratory to outsource the more difficult tests, ensuring fast service and good rates.
- Follow a strict regime of accounting controls to help ensure profitability.

3.0 Market

LLOYDS PHARMACY (T) LIMITED has identified existing markets for in Dar salaam for patients who are looking medical laboratory services

3.1 Services

LLOYDS PHARMACY (T) LIMITED offers a comprehensive battery of blood tests for physician's patients. Several tests will be done in house including:

- CBC- A complete test of red blood cell count, white blood count, and a platelet count. Each of these three can be ordered individually if needed.
- Blood sugar test- Frequently requested for diabetics or possible diabetics.
- Electrolyte testing- For patients who are on diuretics and there is concern that they may be losing too many of their electrolytes.
- Creatine- Often used to check kidney functioning or to determine if there is heart or kidney problems and Others.

4.0 Management

LLOYDS PHARMACY (T) LIMITED has been founded and will be led by JAYSHREE GORANIA and ARJUN MODHWADI experienced business men from England, they have recognized the great need for a lab in Dar es Salaam, and developed a plan and secured financing for the venture.

4.1 Location

The new project will be located at **Plot No.1720, Msasani Peninsula, Kinondoni District, Dar es Salaam region.**

4.2 The Sponsors

LLOYDS PHARMACY (T) LIMITED will be sponsoring this project. The Company is currently jointly owned by two investors from England.

Share Holders	% of Share	Nationality
JAYSHREE GORANIA	50	British
ARJUN MODHWADIA	50	British

5.0 Overview

Tanzania's population has some of the lowest rates of access to health personnel in the world. Over 60% of Tanzania healthcare facilities are run by the government with the rest being either faith-based or private. As the country, Tanzania is progressing towards universal healthcare, in 2020/2021 the government allocated \$387.9 million for the health sector of which \$155.5 million will be spent on development projects, which would help the government to implement its health improving initiatives. The sector has been allocated TZS 1,109 billion in 2022/2023.

Healthcare financing is complimented by international donors who contribute up to 40% of the health budget. The US government, through USAID and CDC, contribute significantly to programs that assist the Tanzania government. Health insurance coverage is still low with only 32% of Tanzanians as of 2019 covered by health insurance. Of that number, only 1% are members of private health insurance.

The Government of Tanzania in 2022/23 budget has identified some of the following issues which will be of great importance or priority; Strengthening the delivery of vaccines for children under age of five; and strengthening the quality of delivery of health services in the country

The government has called upon investors to establish pharmaceutical factories within the country. Health supplies, commodities and equipment comprise a significant portion of the pharmaceutical domestic development budget. However, firms operating locally will face several challenges such as need for skilled human resources, availability of modern technology and the ability to reach sufficient scale to compete with international suppliers.

Sub-Sector Best Prospects

- Establishment of pharmaceutical companies
- Training of healthcare personnel
- Establishment of primary healthcare services
- Supply of lab equipment
- Supply of medicines
- Establishment of diagnostic centers.

6.0 Strategy and Implementation Summary

LLOYDS PHARMACY (T) LIMITED will leverage their competitive edge of a convenient location within a large medical facility to help it quickly gain market share. LLOYDS PHARMACY (T) LIMITED has developed a strategic marketing plan that will use several different methods to develop local awareness of itself and the benefits offered. LLOYDS PHARMACY (T) has developed a sales strategy to help turn the qualified leads into clients by emphasizing the significant benefits that physicians can their patients by sending them to LLOYDS PHARMACY (T) LIMITED.

6.1 Competitive Edge

LLOYDS PHARMACY (T) LIMITED' competitive edge is convenience. In the blood analysis industry, it is hard to differentiate yourself from competitors assuming a few basic levels of care and performance:

- You accept several popular insurance plans, otherwise many patients could not use your service.
- You provide fast analysis, tests are completed and reported within 48-60 hours at the most.
- You provide accurate, precise results.

If these basic, foundational levels of performance are met, then you are competitive. This is why convenience is so important and why it is an effective way of distinguishing one lab from another. The physician is looking for a way to get a blood sample from a patient that is easiest from the patient's perspective.

Other factors include maintaining a high level of customer satisfaction. If these were not met it would not "kill the deal" but would decrease sales. Here are some important customer service

elements that all employees of LLOYDS PHARMACY (T) LIMITED will emphasize:

- The receptionists and phlebotomy are friendly.
- A satisfactory specimen is secured on the first try.
- Patient discomfort is minimized.
- The phlebotomy was able to personify the laboratory and promote a positive impression between the lab and the patient.

These customer service factors will certainly be taught to all employees to ensure the most positive patient experience.

6.2 Marketing Strategy

LLOYDS PHARMACY (T) LIMITED will undertake a marketing strategy employing three means of communicating its new service offering:

- Direct mail. Local physicians will receive a flyer announcing the opening of LLOYDS PHARMACY (T) LIMITED and detailing the services offered. A list of physicians is easily obtained through the local licensing board.

- Personal introductions. A representative from LLOYDS PHARMACY (T) LIMITED will visit all of the medical offices within the Kinondoni district as a way of introducing LLOYDS PHARMACY (T) LIMITED to the doctors. This will provide LLOYDS PHARMACY (T) LIMITED with an opportunity to develop a personal relationship with doctors, something that is useful and valuable for service providers within a licensed industry.
- Advertisements. Ads will be placed in the regional flyer that all licensed physicians receive as members of their local chapter of the Medical Association.

LLOYDS PHARMACY (T) LIMITED sales strategy will be used to convert a qualified lead into a client by emphasizing three important services:

- Most forms of insurance accepted- This is important because the vast number of patients that will have their blood tested will not be self-paying, they will be using insurance. LLOYDS PHARMACY (T) LIMITED would not be a viable alternative if they did not accept popular insurance plans.
- Quick turnaround- A doctor's diagnosis and treatment is often based on the results of the test. It is not reasonable to expect

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the patient to wait an excessive period of time for the results.
LLOYDS PHARMACY (T) LIMITED will deliver results fast.

- Convenience- There is no other alternative that is more convenient than sending the patients to an office within the building.

7.0 Investment Cost Structure

The project is estimated to cost US\$500,000 on completion which will increase from time to time. The money will cover working capital, machine importation and other company expenses. However, a financial policy of the company states that the profits generated will be re-invested.

7.1 Financing Pattern

The project will be financed by equity sourced from foreign investors which is equivalent to US\$ 200,000 amounting to 20% of the expected capital expenditure and US\$ 300,000 loan from local and foreign

7.2 PROJECT'S INVESTMENT CAPITAL

The estimated capital investment cost of the project is US\$ 500,000 out of which US\$419,200 will be fixed investment

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costs. Pre-production expenditures have been budgeted at US\$50,000; other cost will be US\$10,800, while working capital is put at US\$20,000

LLOYDS PHARMACY (T) LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	79,200.00
Machinery & Equipment	250,000.00
Motor Vehicles	80,000.00
Furniture & Fixtures	10,000.00
Pre exp	50,000.00
Others	10,800.00
Working Capital	20,000.00
TOTAL	500,000.00

For the project to be a reality a total investment amounting to US \$500,000 is needed

(i) Land and Building (industrial premises): US\$79,200

The project has opted for long term leasing of industrial premises; the total cost has been estimated to be US\$79,200 for the first year of project implementation

(ii) Machinery and Equipment: US\$250,000

Some US\$250,000 is anticipated to be spent on the purchase of different types of medical equipment, working tools and equipment accommodating new technology

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(iii) Motor Vehicles:US\$80,000

The project will need 1 light truck, 1 Land Cruiser, and 1 double cabin pick. These vehicles will be used to facilitate project business and double cabin pick up for administrative purposes.

(iv) Furniture: US\$10,000

This investment cost item has been estimated to cost US \$10,000. It will consist of office furniture such as tables, chairs, telephone, fax, machines, file cabinets, sofa chairs etc.

(v) Pre-Operational Expenses: US\$ 50,000

They cover things like company registration, expenses spent in exploring the viability of the project, especially the market/client identification exercise. This Pre-operational cost item also covers the architectural designs of project buildings and other engineering services. Also included under this item are issues like consultancy fees, legal fees and recruitment and training costs of personnel.

(vi) Initial Working Capital: US\$20,000

Assumptions for working capital requirements have been estimated that it will cost US\$20,000. This will involve purchasing of raw materials, daily operating costs etc

7.2 Financing pattern

The project will be financed by equity **US\$375,000** and loan **US\$ 125,000**

7.3 Project operating costs

In order to realize its intended objective the project will have to meet the following operating costs.

(i) Salaries and Wages US \$220,000

The project will engage 8 employees and the total cost of annual salaries have been estimated to cost US\$220,000.

(ii) Utilities US \$15,000

Considered here are water and electricity annually.

(iii) Motor vehicle running Expense US\$6,000

Petrol/diesel and lubricant requirement for the project's motor vehicles, this cost element will amount to US\$6,000 annually.

(iv) Insurance: US\$6,000

Insurance estimated to cost US\$ 6,000 annually

(v) Marketing cost US\$9320

A portion of US\$9320 is to be used in advertising the project

(vi) Depreciation cost US\$41,920

For the day to day depreciation of fixed asset of the project US\$41,920 will be required annually for depreciation cost.

(vii) Pension contribution US\$2,200

The company has set aside US\$2,200 as pension contribution

(vii) Communication cost US\$ 5,400

(viii) Administrative cost US\$1,400

(ix) Maintenance cost US\$7,000

(x) Donation US\$5,000

7.4 Pricing Strategy

The company intend to offer best quality services that comply to the price charged as indicated earlier, there is a market segment that has spending power and can afford this pricing. Therefore, this pricing will reflect the targeted market segment in focus. The average laboratory test fee will range from US\$ 15 - 400.

8.0 Aspects Of Project Sustainability

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed. The growing demand for quality medical services in Tanzania gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

8.1 MONITERING AND EVALUATION

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

9.0 FINANCIAL ANALYSIS

9.1 Considerations and Assumptions:

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

Revenues have been conservatively estimated based on experience of the promoters and trends in the shoes industry.

9.2 Projected Revenue

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from the project commence from the first year of operation.

LLOYDS PHARMACY (T) LIMITED SUMMARY OF REVENUE " US\$"

Year	1	2	3	4	5
Revenue	740,000	750,000	760,000	770,000	780,000

9.3 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\$ in first year **147,368** to US\$ in the year 5th **164,966; for the detail refer appendix (IV)**

9.4 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year 1 US\$**530,859** of operation to the 5th year US\$ **2,723,440; for the detail refer appendix (V)**

9.5 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Net worth of the project increases from US\$**647,368** in the first year of operation to US\$ **664,966** in the 5th year; **for the detail refer appendix (VI).**

9.6 Projected payback period

Total investment is **US\$500,000** cash accumulation in 3 years is **US\$577,517** which is more than the initial investment by **US\$ US\$ 77,517**, the project payback Period is within **3 years.**

The project has a relatively short payback period; **for the detail refer appendix (VII)**

10.0 ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization of available market
- The project will create employment for 15 people on permanent contract basis as well as on temporary basis.
- It will create more business opportunities to local suppliers which will also have a trickledown effect in the environmental issues.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will have transfer of knowledge and skills
- Contribute in improving health service

11.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction of hotel will be completed within one year:-

IMPLEMENTATION

S/ N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	Nov 2024
2	Placing order of equipment	Feb 2025
3	Installing	July 2025-Nov 2025
4	Recruitment	December 2025
5	In house training	January- February 2026
6	Testing production	March - May 2026
7	Commercial operations	June 2026

12.0 Conclusion & 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, 2022.

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Appendix (I)

LLOYDS PHARMACY (T) LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	79,200.00
Machinery & Equipment	250,000.00
Motor Vehicles	80,000.00
Furniture & Fixtures	10,000.00
Pre exp	50,000.00
Others	10,800.00
Working Capital	20,000.00
TOTAL	500,000.00

Appendix (II)

LLOYDS PHARMACY (T) LIMITED SUMMARY OF REVENUE " US\$"

	1	2	3	4	5
Revenue	740,000	750,000	760,000	770,000	780,000

Appendix (III)

LLOYDS PHARMACY (T) LIMITED FIXED ASSETS SCHEDULE

NAME OF ASSETS	1 USD	2 USD	3 USD	4 USD	5 USD
Land And Buildings	79,200	71,280	63,360	55,440	47,520
Machinery, Tools & Equipment	250,000	225,000	200,000	175,000	150,000
Motor Vehicles	80,000	72,000	64,000	56,000	48,000
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000
Total	419,200	377,280	335,360	293,440	251,520
DEPRECIATION	1 USD	2 USD	3 USD	4 USD	5 USD
Land and buildings	7,920	7,920	7,920	7,920	7,920
Machinery tools & Equipment	25,000	25,000	25,000	25,000	25,000
Motor Vehicles	8,000	8,000	8,000	8,000	8,000
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000
ANNUAL DEPRECIATION	41,920	41,920	41,920	41,920	41,920
CLOSING FIXED ASSETS	377,280	335,360	293,440	251,520	209,600

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Appendix (IV)

LLOYDS PHARMACY (T) LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT

	1	2	3	4	5
Sales Revenue	740,000.00	750,000.00	760,000.00	770,000.00	780,000.00
Cost of Sales	210,233.00	213,593.00	216,600.00	218,606.00	220,620.00
Gross Profit	529,767.00	536,407.00	543,400.00	551,394.00	559,380.00
Operating Expenses:					
Administrative Expenses	1,400.00	4,205.00	5,000.00	5,200.00	5,800.00
Motor vehicle running expenses	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Salaries and Wages	220,000.00	220,000.00	220,000.00	220,000.00	220,000.00
Donation	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Depreciation	41,920.00	41,920.00	41,920.00	41,920.00	41,920.00
Marketing Costs	9,320.00	9,345.00	9,358.00	9,365.00	9,375.00
Maintenance & Repair	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
Interest	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
Utility costs	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Insurance	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Communication	5,400.00	5,406.00	5,410.00	5,415.00	5,418.00
Pension Contribution	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
Total Expenses	326,740.00	329,576.00	330,388.00	330,600.00	331,213.00
Profit before tax	203,027.00	206,831.00	213,012.00	220,794.00	228,167.00
Tax (30%)	60,908.10	62,049.30	63,903.60	66,238.20	68,450.10
Profit After Tax	142,118.90	144,781.70	149,108.40	154,555.80	159,716.90

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Appendix (V)

LLOYDS PHARMACY (T) LIMITED PROJECTED CASH FLOW US\$

	1	2	3	4	5
CASH FLOW FROM OPERATIONS:					
Cash Sales	605,500.00	613,000.00	621,000.00	628,900.00	636,700.00
VAT Receipt	133,200.00	135,000.00	136,800.00	138,600.00	140,400.00
Subtotal cash Received	738,700.00	748,000.00	757,800.00	767,500.00	777,100.00
Expenditures from Operations:					
Cash spent	170,000.00	172,647.00	174,812.00	176,257.00	177,609.00
VAT Payments	37,841.00	38,446.00	38,988.00	39,349.00	39,711.00
Subtotal Cash Payment	207,841.00	211,093.00	213,800.00	215,606.00	217,320.00
CASH FLOW FROM OPERATIONS:	530,859.00	536,907.00	544,000.00	551,894.00	559,780.00
CASH FLOW FROM INVESTMENTS:					
Purchase of Assets	(419,200.0)				
Working Capital ,pre-expenses and Others	(80,800.00)				
CASH FLOW FROM INVESTMENTS:	(500,000.0)				
CASH FLOW FROM FINANCING:					
Loan	125,000.00				
Owners Equity Contribution	375,000.00				
CASH FLOW FROM FINANCING:	500,000.00				
NET CASH FLOW FOR PERIOD	530,859.00	536,907.00	544,000.00	551,894.00	559,780.00
CASH FLOW START OF YEAR	-	530,859.00	1,067,766	1,611,766.00	2,163,660.00
CASH FLOW AT THE END OF YEAR	530,859.00	1,067,766.	1,611,766	2,163,660.	2,723,440.00

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Appendix (VI)

LLOYDS PHARMACY (T) LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (6%)	Total Amount Paid	Loan Balance
0				125,000
1	31,250	7,500	38,750	93,750
2	31,250	7,500	38,750	62,500
3	31,250	7,500	38,750	31,250
4	31,250	7,500	38,750	0

Appendix (VII)

LLOYDS PHARMACY (T) LIMITED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulative Cash Flow
1	142,118.00	24,000.00	166,118.00	166,118.00
2	144,781.00	24,000.00	168,781.00	334,899.00
3	149,108.00	24,000.00	173,108.00	508,007.00
4	154,555.00	24,000.00	178,555.00	686,562.00
5	159,716.00	24,000.00	183,716.00	870,278.00
Initial Investment Cost				
US\$ 500,000.00 , Payback period is within 3 years				

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