



ZAC INDUSTRIES PROJECT

Business plan for assembling electronic appliances

Abstract

APPLICATION FOR CERTIFICATE OF INCENTIVES AT TIC

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Contents

- 1.0 Executive summary..... 2
- 2.0 LIST OF ABBREVIATIONS..... 3
- 3.0 BUSINESS IDEA 4
- 4.0 Investor’s profile 5
 - 4.1 Details on foreign exchange generations/savings 5
 - 4.2 Import substitution 5
- 5.0 MANAGEMENT AND PERSONAL 5
 - 5.1 Management..... 5
 - 5.2 Personnel on the project..... 6
 - 5.3 Training and capacity building..... 6
- 6.0 Business linkage benefits 6
- 7.0 Transfer of technology 6
- 8.0 MARKETING STRATEGY 6
- 9.0 Environmental commitment statement 8
- 10. Project schedule 9
- 11.0 Financial plan..... 10
 - 11.1 Initial investment..... 10
 - 11.2 Breakdown of use of funds 10
 - 11.3 Assumptions 11
 - 11.4 Projected income statement..... 11

1. 0 Executive summary

The proposed ZAC industry project aims to assemble varieties of electronics equipment i.e soundbars, TV and other electronic equipment with reliable quality for an estimated output of more than 5,000 pieces of those devices per year that meet the standard set by Tanzania Bureau of Standards (TBS). These devices will be sold on wholesale through our agents all over the country or in retail via our shops that are located in various regions in our country. The project will have at least 50 workers who will be engaged directly in the process of taking a PBC and turning it into a PCBA and this is done by connecting electrical components on the circuit board.

The initial investment for the project is estimated to be US \$102,000 which includes US \$22,000 for construction, US \$40,000 on working capital and US \$40,000 for equipment.

The average annual net profit for the first year of operation is expected to be USD 53,550 and the average net profit margin is expected to be 10.5% of the initial first year sales. The industry project will start to realize profit in the first year of its operation and will have an estimated produce of more than 5,000 devices to break even.

In order to achieve satisfactory results and minimize labor costs, ZAC industry project will be managed by the local technicians with the assistance from our technical partners.

2.0 LIST OF ABBREVIATIONS

TV	Television
PBC	Printed Circuit Board
PBCA	Printed Circuit Board Assembly
DFM	Design For Manufacturing
SMT	Surface Mount Technology
IC	Integrated Circuit
PTH	Printed Through-Hole
AOI	Automated Optical Inspection
CNC	Computer numerical control

3.0 BUSINESS IDEA

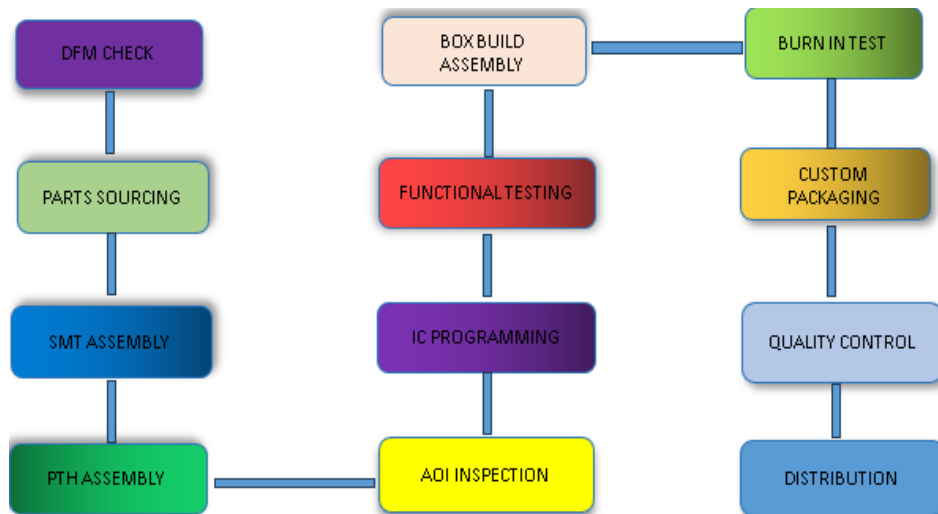
The project entails in assembling varieties of electronic devices for our registered brand (ZAC product). It involves the fitting together separate electrical parts at our factory and marketing the devices via different channels to create public awareness and sustainable consumer demand.

The project will be organized as follows:

Processing: is the step needed to assemble electronic components and parts through a more advanced and mature operational electronics assembly process and technology that will ensure high quality and reliable electronic products.

Steps in electronics manufacturing:

Generally, the electronics manufacturing process includes the following aspects such as PCB manufacturing, PCB assembly, box build assembly, functional testing, quality inspection and packaging. The structure below shows the main processes:



Structure 1

4.0 Investor's profile

The investors of this project are the owner of Izack Enterprises Limited registered under BRELA with registration number 141996037. The company is specialized on importation and distribution of phones and other electronic devices in the country with experience of more than four years. Also, the company have its own registered brand known as ZAC. The company have been importing these products for more than 3 years and thus, the aim now is to assemble these products within the country with the view of creating more job opportunities and technical abilities to our local Tanzanians.

Izack Enterprises Limited is one among the fast electronic growing company in the country and have employed a good number of people throughout the country and have been paying various tariffs to the government for national developments.

4.1 Details on foreign exchange generations/savings

The owners of this project are the local Tanzanians and the capital of this project have been obtained through our domestic business activities though most of our goods for sales are being imported from abroad.

The investors of this project have no foreign savings; thus, they use mostly our local Banks for the transactions and deposits.

4.2 Import substitution

This is simply the takeover of an existing market for consumption goods from the foreign supplier, this strategy emphasizes production for domestic markets to reduce dependent from foreign suppliers. This project aims mainly to help our country in stabilizing the balance payment by reducing the money spent to import finished goods from abroad and also to create job opportunities for our local citizens in the process of assembling those circuit and packaging within the country.

5.0 MANAGEMENT AND PERSONAL

5.1 Management

At present, Samwel Azeri Ngowi and Clara Ludovick Makundi are the shareholders of Izack Enterprises Limited, both have more than 4 years' experience in managing the company on its various operations.

Izack Enterprises Limited has been incorporated for more than 4 years reaching a 7% growth rate from 2022 to 2023, this growth rate is attributed to high standard set for customer service and

steady governance. Also, they set up incentive plan for their employees that rewards them from outstanding performance and good customer services on year-end survey results.

5.2 Personnel on the project

There are four full-time office employees-one factory manager and three administrative assistants. Four supervisors and three technicians will also be employed, so total number of employees to be hired initially will be ten. Interview have been conducted for each position and all are tentatively filled. Other supporting staff will be employed depending on the progression of the project.

5.3 Training and capacity building

Workers will receive training mainly from the technical partners in the best production methods. Capacity building will be an ongoing activity that will be based on baseline surveys, monitoring and evaluation results by experts and self/peer evaluation among workers themselves.

6.0 Business linkage benefits

This project benefits widely the nation, firstly through the payment of various tariffs to the government, secondly it will improve the standard of living of those who will be employed directly or indirectly by the factory and thirdly a nation will save from foreign currency spent on imports this will improve the balance of payment and boost the economic development.

7.0 Transfer of technology

The project will require technical knowledge, materials, design and software from our foreign partners. This will be guided by the policies, procedures and values of our nation to ensure the protection and maintenance of safety. External experts will share skills, knowledge, technologies, manufacturing/assembling and more to our local technicians to ensure the production of standard products to our consumers.

8.0 MARKETING STRATEGY

Izack Enterprises Limited is committed to an extensive promotional campaign. This will be done aggressively and on a broad scale. To accomplish initial sales goals, the company will require an extremely effective promotional campaign to accomplish the following objectives:

- Attract quality sales personnel with a desire to be successful
- Attract customers that will constantly look at Izack Enterprises Limited for their home appliances and electronics needs.

In addition, Izack Enterprises Limited plan to advertise in social media, radio, television, magazines and other platforms.

9.0 Environmental commitment statement

The project shall adhere to the law and policy set and governed by NEMC in conservation of environment during its operations. Thus, in pursuit of its mission, the project shall: -

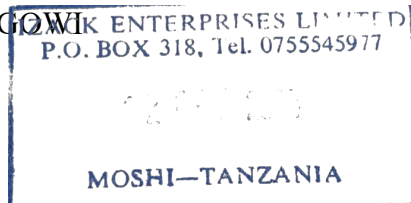
- Achieve and maintain compliance with the applicable and relevant environmental requirements.
- Consider environment impacts in all decisions, actions and operations.
- Advance pollution prevention as a preferred environmental management approach, followed by waste reduction, recycling, treatment and disposal, in that order
- Encourage our customers, partners and all with whom we interact to do the same by sharing environmental performance information.

Director of Izack enterprise ltd

Name: SAMWEL A. NGOMI



Date: 21/10/20224



10. Project schedule

This provides the clear vision on the implementation of the project, it includes tasks, assignment, dependencies and milestone of the program.

Assignments	Initial date	No. days of implementation	completion
ideation	1-12-2024	7	7-12-2024
<ul style="list-style-type: none"> • Market research 	1-12-2024	2	2-12-2024
<ul style="list-style-type: none"> • Product requirements 	1-12-2024	5	5-12-2024
<ul style="list-style-type: none"> • Feasibility analysis 	1-12-2024	3	3-12-2024
design	8-12-2024	15	22-12-2024
<ul style="list-style-type: none"> • Engineering drawing 	8-12-2024	6	13-12-2024
<ul style="list-style-type: none"> • 3D Rendering 	14-12-2024	2	15-12-2024
<ul style="list-style-type: none"> • 3D Printed prototype 	16-12-2024	9	24-12-2024
prototyping	15-12-2024	16	01-12-2024
<ul style="list-style-type: none"> • CNC Part creation 	28-12-2024	1	28-12-2024
<ul style="list-style-type: none"> • Product assembly 	1-01-2024	1	1-01-2024
<ul style="list-style-type: none"> • Durability & stress testing 	15-01-2024	7	23-01-2024
Pre-production	2-01-2024	30	31-01-2024
<ul style="list-style-type: none"> • New production 	2-01-2024	5	6-01-2024
<ul style="list-style-type: none"> • Supply chain 	7-01-2024	1	7-01-2024
<ul style="list-style-type: none"> • Product documentation 	8-01-2024	30	7-02-2025

• Translations service	08-02-2025	1	08-02-2025
• Production operation	09-02-2025	-	Ongoing processes

11.0 Financial plan

This section details calculations, assumptions and methodologies used as a foundation for the projection of the expected financial performances of ZAC industries project

11.1 Initial investment

The project will locally be funded by the investors who are the owner/shareholder of Izack Enterprises Limited, thus the initial investment of \$102,000 will be obtained from the saving of owners' current business activities of Izack Enterprises Limited. This initial fund is expected to be used in renting factory, re-pairing and modification of factory, working capital and purchases of equipment needed for the project.

11.2 Breakdown of use of funds

Pre-operational expenditures

- Renting of a factory \$606
- Improvements/renovations of a factory \$21,394
- Equipment \$27,000
- Furniture & fixtures \$4,000
- Business supplies \$4,000
- Inventory \$3,000
- Marketing & advertising \$2,000

Operational funds

- Working capital \$40,000

Total funding use \$102,000

11.3 Assumptions

The following are the assumptions for the income statement:

Assumption for the income statement

Maintenance expenses	2.5% of sales
General expenses	27.25 %' of sales
Cost of goods of sold	55% of sales
Average price per item	\$102 per item
Annual increase in price is assumed to be	3%
Number of items per year is assumed to be	10,000
Cost of item average	\$40.8 per item
Dividends	50%
Electricity cost	0.25% sales

These financial projections are based on the findings and analysis from the field of operations, also the project will also pay corporate tax at 30%

11.4 Projected income statement

This is a profitability statement showing the profit or loss from Zac industry project for the estimated five-year plan. The amounts are in US dollar;

Details	first year	second year	third year	fourth year	fifth year
production per year in pieces=A	5,000.00	5,500.00	6,050.00	6,655.00	7,320.50
price per pieces=B	102.00	105.06	108.21	111.46	114.80
Sales per year C=A*B	510,000.00	577,830.00	654,681.39	741,754.01	840,407.30
Cost of goods sold =D	280,500.00	317,806.50	360,074.76	407,964.71	462,224.01
Gross profit E=C-D	229,500.00	260,023.50	294,606.63	333,789.31	378,183.28
Operating cost = F	153,000.00	173,349.00	196,404.42	222,526.20	252,122.19
Profit before tax G=E-F	76,500.00	86,674.50	98,202.21	111,263.10	126,061.09

Tax $H=30\%*G$	22,950.00	26,002.35	29,460.66	33,378.93	37,818.33
Net profit $I=G-H$	53,550.00	60,672.15	68,741.55	77,884.17	88,242.77

The project is expected to realize an average net profit margin of 10.5% on sales during its operation.