

**BUSINESS PLAN FOR PRODUCTION OF PETROLEUM JELLY
PRODUCTS**

DATE: JUNE 2024

OWNER: LIFEMERGE EAST AFRICA LTD.

**NAME OF THE BUSINESS AND LOCATION: LIFEMERGE EAST
AFRICA LIMITED, ARUSHA, TANZANIA**

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EXECUTIVE SUMMARY

Lifemerge East Africa Ltd. presents a compelling opportunity in the petroleum jelly products and the overall cosmetics sector. Our innovative approach to petroleum jelly products fills a critical gap in the market, addressing the need for organic products for our target audience. Backed by a team of seasoned professionals with a track record of success, we are poised to disrupt the market and capture significant market share. Our entrance to this business line stems from the market survey which noted the following key highlights:

- i. **Market Opportunity:** Market research indicates a substantial demand for petroleum jelly products, driven by an increase in diverse consumers. With an estimated consumer base of over 60 million people with an advantage to expand to over 300 million EAC population, there is ample room for growth and expansion.
- ii. **Unique Value Proposition:** Our petroleum jelly products stand out due to their unique use of organic raw materials. We offer customers a solution for their need of organic products at affordable prices providing superior value compared to existing alternatives.
- iii. **Business Model:** Lifemerge East Africa Ltd. operates on a scalable business model that prioritizes efficiency and profitability ensuring sustainable growth and long-term viability.
- iv. **Go-to-Market Strategy:** Our strategic approach to market penetration involves Product Positioning, Branding and Packaging, Digital Marketing, Content Marketing, Retail Partnerships, Customer Loyalty Programs, Product Innovation, and Customer Feedback and Reviews, leveraging our distribution channels to

reach our target audience effectively. Partnerships with key stakeholders further enhance our market reach.

- v. **Financial Projections:** Based on conservative estimates, we project steady revenue growth in the first six years, with a clear path to profitability from the third year onwards. These projections are supported by thorough market analysis and realistic assumptions.
- vi. **Team Expertise:** Our team comprises industry experts with a diverse skill set, including chemical engineers and other required skills. Their collective experience and passion for innovation drive our success and ensure the effective execution of our business plan.
- vii. **Funding Requirements:** To fully capitalize on the market opportunity and execute our growth strategy, we are seeking \$850,000 in funding in exchange for negotiated repayment terms. These funds will be allocated towards production machines, enabling us to achieve key milestones and accelerate our growth trajectory.

In summary, Lifemerge East Africa Ltd. represents a compelling investment opportunity in the petroleum jelly products. With a unique value proposition, scalable business model, and experienced team, we are primed for success and poised to deliver significant returns for the business and financiers.

1. ABOUT THE BUSINESS

Lifemerge East Africa Ltd. mainly focuses on manufacturing and distributing high-quality petroleum jelly products serving various consumers and chemical industries within Tanzania and later along the East African countries. With a commitment to excellence and innovation, we specialize in the formulation, production, and packaging of a wide range of petroleum jelly-based products tailored to meet the diverse needs of our customers.

1.1 Background information

Lifemerge East Africa Limited aims to be a leading business firm in manufacturing petroleum jelly and selling chemicals, from industrial chemicals to specialized chemicals used in various industries like pharmaceuticals, agriculture, and cosmetics. At Lifemerge East Africa Ltd., we intend to focus on offering an extensive portfolio of petroleum jelly-based products designed for diverse applications across multiple industries, including:

- i. **Personal Care:** Our line of skincare products includes moisturizing creams, lip balms, body lotions, and baby care formulations, all enriched with the soothing properties of petroleum jelly to nourish and protect the skin.
- ii. **Pharmaceutical:** We intend to produce pharmaceutical-grade petroleum jelly used as an ingredient in various topical ointments, wound care products, and medical preparations, ensuring purity, safety, and efficacy.
- iii. **Cosmetics:** Our cosmetic range features petroleum jelly-based makeup removers, primers, lip glosses, and hair care products renowned for their hydrating and conditioning properties, catering to the beauty needs of consumers worldwide.

- iv. **Industrial:** Lifemerge East Africa Ltd. intends also to supply industrial-grade petroleum jelly for applications such as lubricants, rust inhibitors, mould release agents, and electrical insulation, meeting the rigorous standards of industrial manufacturing and maintenance.

At Lifemerge East Africa Ltd., quality is paramount. We will adhere to stringent quality control measures throughout the manufacturing process, from sourcing raw materials to final product distribution, ensuring consistency, purity, and safety in every batch. Our state-of-the-art facilities will be equipped with cutting-edge technology and operated by a team of skilled professionals dedicated to upholding the highest standards of quality and compliance with regulatory requirements.

As a responsible corporate citizen, Lifemerge East Africa Ltd. is committed to environmental stewardship and sustainability. We prioritize eco-friendly practices in our operations, including resource conservation, waste reduction, and the use of renewable energy sources. Additionally, we invest in research and development to explore innovative solutions for minimizing our environmental footprint and promoting a greener future for generations to come.

With a robust distribution network and strategic partnerships across the country and later in East African countries, Lifemerge East Africa Ltd. serves a diverse clientele spanning the region. Whether it's meeting the skincare needs of individuals, the therapeutic requirements of healthcare professionals, or the industrial demands of manufacturers, we will deliver reliable, high-performance petroleum jelly products tailored to our customers' specific needs, backed by exceptional service and support.

Thus, Lifemerge East Africa Ltd. is the best consumers' trusted partner for premium petroleum jelly solutions, combining expertise, innovation, and dedication to excellence to enrich lives and empower businesses across the East Africa region. We welcome diverse consumers of petroleum jelly products to join us in our journey to make a positive impact through quality, integrity, and sustainability in everything we do.

1.2 Vision and mission

As stated below, our business model and strategy for successful market influence and reaching targeted growth stems from our vision and mission.

1.2.1 Vision

To be the leading provider of high-quality petroleum jelly and chemical solutions, globally recognized for our commitment to innovation, sustainability, and customer satisfaction. We strive to continuously expand our product offerings, optimize our supply chain, and foster strategic partnerships to drive long-term growth and create value for all stakeholders.

1.2.2 Mission

Lifemerge East Africa Limited's mission is to deliver exceptional petroleum jelly and chemical products that exceed our customers' quality, reliability, and value expectations. Through stringent quality control measures, innovative research and development, and ethical business practices, we aim to enhance the lives of consumers and businesses alike while contributing to a sustainable future. We are dedicated to fostering a culture of continuous improvement, employee empowerment, and environmental responsibility to drive long-term success for our company and the communities we serve."

1.3 Organization structure

The business organization and structure for Lifemerge East Africa Ltd. is structured as follows:

1.3.1 Executive Leadership

At the top of the hierarchy, there will be the executive leadership team, including positions such as CEO (Chief Executive Officer), CFO (Chief Financial Officer), COO (Chief Operating Officer), and possibly other C-suite roles depending on the growth and expansion which will make it more complex leading to organizational structural adjustment.

1.3.2 Departments/Divisions

The company will have various departments or divisions responsible for different functions such as manufacturing, import/export operations, research and development, sales and marketing, finance, human resources, and quality control.

1.3.2.1 Manufacturing department

The manufacturing department will have teams responsible for the production process. This department will include production managers, engineers, technicians, and line workers.

1.3.2.2 Import/Export Operations

This department will handle the sourcing, procurement, logistics, and distribution of various chemicals from international suppliers. It may include import/export managers, logistics coordinators, customs specialists, and supply chain analysts.

1.3.2.3 Research and Development (R&D)

The R&D team will focus on product innovation, formulation development, quality improvement, and regulatory compliance for petroleum jelly and other chemical products.

1.3.2.4 Sales and Marketing

The sales and marketing department would promote the company's products, identify new markets, build customer relationships, and generate revenue. This department will involve sales representatives, marketing managers, brand strategists, and digital marketing specialists.

1.3.2.5 Finance and Accounting

This department will handle financial planning, budgeting, accounting, and reporting activities. It will include finance managers, accountants, financial analysts, and billing specialists.

1.3.2.6 Human Resources (HR)

The human resource department will manage recruitment, employee relations, training and development, compensation and benefits, and workplace safety initiatives. HR personnel will include managers, recruiters, trainers, and compliance specialists.

1.3.2.7 Quality Control/Assurance

Quality control teams will ensure all products meet regulatory standards and customer expectations for safety, purity, and performance. This department will involve quality control inspectors, lab technicians, and quality assurance managers.

1.4 Business objectives

The main business objective for LIFEMERGE EAST AFRICA LIMITED is to offer our customers high-quality products and timely services to all driven by demand push. The objective will be achieved by investing in some critical aspects of success, as briefed hereunder.

1.4.1 Product Excellence

Continuously improve the quality and performance of petroleum jelly and chemical products to meet or exceed industry standards and customer expectations.

1.4.2 Market Expansion

Identify and enter new markets domestically and internationally to increase market share and revenue streams.

1.4.3 Supply Chain Optimization

Streamline import/export operations and manufacturing processes to reduce costs, minimize lead times, and improve efficiency.

1.4.4 Innovation and Research

Invest in research and development initiatives to innovate new products, formulations, and technologies that address emerging market trends and customer needs.

1.4.5 Customer Satisfaction

Prioritize customer satisfaction by providing exceptional service, timely delivery, and responsive support to build long-term relationships and loyalty.

1.4.6 Sustainability and Responsibility

Implement sustainable practices across the production process and the supply chain to reduce environmental impact, promote ethical sourcing, and contribute positively to communities and stakeholders.

1.4.7 Financial Growth

Achieve sustainable financial growth through strategic pricing, cost management, and revenue diversification strategies.

1.4.8 Regulatory Compliance

Ensure compliance with all relevant regulations and standards governing the manufacturing, importation, and distribution of petroleum jelly and chemical products.

1.4.9 Employee Development

Foster a learning, growth, and accountability culture by providing ongoing training, professional development opportunities, and employee recognition.

1.4.10 Brand Reputation

Enhance brand reputation and credibility through transparent communication, ethical business practices, and active engagement with customers, industry partners, and regulatory bodies.

2. MARKET ENTRY TARGETS

2.1. Objective

Our objective is to increase our market share in Tanzania by 10% within a year. We aim to become the market leader in petroleum jelly products in the long run. Currently, the Tanzanian market for petroleum jelly products is unsaturated with greater opportunities for growth and expansion. Given this market consumer spare capacity, we intend to

increase our market share based on demographics, geographic location, and psychographic needs. The increase in market share will lead us to gain a competitive edge, achieving economies of scale, increasing brand visibility, and maximizing revenue potential. Below are the strategies and tactics we will employ to achieve the objective.

This might include:

- a) Expanding distribution channels in entering new markets (geographic locations)
- b) Enhancing product quality to better meet customer needs
- c) Adjusting pricing strategies to increase competitiveness.
- d) Launching marketing campaigns to raise brand awareness and attract new customers.
- e) Improving customer service to enhance satisfaction and loyalty.
- f) Forming strategic partnerships or alliances to leverage complementary strengths.

2.2. Action Plan

Our action plan is a roadmap outlining specific steps, tasks, and timelines required to achieve our objectives. It breaks down the goals into manageable tasks, assigns responsibilities, and sets deadlines to ensure progress and accountability. The action plan draws attention to the business focus, achievement of the goals, resource allocation, accountability, progress tracking, risk management, adaptability, and communication flow among the business units.

2.2.1 Launch a new marketing campaign.

Within three months, we are planning to launch a marketing campaign focusing on increasing brand awareness, driving sales, generating leads, promoting the products, educating customers on the benefits of our products, and building customer loyalty

(engagement). The campaign team will use creative assets such as advertisements (print, digital, video), social media posts and graphics, website content and promotional materials (brochures, flyers). To reach our target audience, the campaign will use digital channels (social media, search engine marketing, display advertising, email marketing, etc.) and traditional channels (print ads, radio, television, direct mail, etc.).

The campaign will be achieved by allocating the budget to different expense categories including creative development, media buying or advertisement placement, digital marketing tools or platforms, agency fees or contractor costs, promotional materials and tracking and analytics tools. The success of the campaign against our objectives will be measured based on the coordinated and executed activities promptly looking at the number of customers reached, engagement, conversion rates in using our products, return on investment and brand sentiment.

2.2.2 Enhance product features.

Within six months in our operations, we have an objective of enhancing product features through R&D. This could include improving product performance, adding new functionalities, enhancing design aesthetics, increasing durability, and addressing customer feedback. We intend to research to identify customer needs, preferences, and pain points related to the product. This could involve surveys, interviews, focus groups, market research, or analysis of customer feedback and reviews. We will also evaluate if there are new materials, manufacturing processes, or technologies that can be leveraged to enhance product features. The R&D strategy will involve:

- a) The allocation of resources (budget, personnel, equipment etc.)
- b) Collaboration with internal teams, external partners and research institutions

- c) Prototyping, testing and iteration processes.
- d) Intellectual property protection strategies (patents, trademarks, copyrights etc.)

The success of the R&D will be evaluated based on a cost-benefit analysis to evaluate the potential return on investment (ROI) of the R&D efforts. This will cover estimating the costs associated with research, development, and implementation, and quantify the expected benefits in terms of increased sales, market share, customer satisfaction, and other relevant metrics. Additionally, the proposed product feature enhancements will comply with relevant regulations, standards, and industry guidelines. However, in the due course of R&D initiatives, the mechanisms through which customer feedback will be collected include:

- a) **Surveys:** Conducting surveys to gather feedback on product satisfaction, features, and areas for improvement.
- b) **Customer Interviews:** Engaging directly with customers to understand their needs, preferences, and pain points.
- c) **Focus Groups:** Organizing focus group discussions to gather in-depth insights from a diverse set of customers.
- d) **User Testing:** Conducting usability tests with real users to evaluate product performance and identify usability issues.
- e) **Social Media Monitoring:** Monitoring social media channels and online reviews to capture spontaneous feedback and sentiment.

2.2.3 Expand sales team.

We expect to expand the sales team to more human resources within two months because of increased production capacity. Among other things the expansion of sales team will

facilitate the distribution of our new products, support the increased demand for the products, need for greater market coverage with more customer outreach and meeting the desire to improve sales performance and revenue growth.

The sales team will be structured in such a way it reflects the roles and responsibilities including sales representatives, account managers and sales managers with an outline of their respective duties and objectives. Similarly reporting hierarchy will be defined by having reporting lines and organizational structure within the sales team, including team leaders or managers. The sales team will also consider territory assignment to specific geographic regions or market segments to individual sales representatives to optimize coverage and effectiveness.

The efficiency of the sales team will be attained through training and development. Specific training and development to the new sales team will involve orientation and onboarding, sales training, and ongoing support. Similarly, the expanded sales team will integrate with and complement the existing sales team, ensuring collaboration and alignment of efforts to achieve overarching sales goals.

2.3. Resources

We recognise the diversity of resources for the successful operation of the business. Such resources include human resources and their roles, responsibilities, qualifications, and any relevant experience or expertise they bring to the business. Physical resources encompass tangible assets required for the business operations, such as facilities, equipment, machinery, vehicles, inventory, and raw materials. Financial resources include startup capital, funding sources, financial projections, and budgets. Other resources which are taken care of in our business operational analysis include intellectual property, technology

and IT resources, supplier and vendor relationships, strategic partnerships and alliances, regulatory and compliance resources, training and development and contingency plans.

2.3.1 Budget allocation for marketing and R&D.

The budget for marketing and research and development (R&D) in our business is an essential part which we carefully consider based on the objectives, strategies, and resources needed to achieve the desired outcomes. The budget allocation reflects our marketing objectives, marketing strategies, allocation breakdown, justification for the allocation decisions, marketing mix, performance measurement, flexibility, and adaptability. However, the budget allocation for R&D focuses on R&D objectives, R&D strategies, allocation breakdown for the key R&D areas, justification for the R&D initiatives, timeline and milestones, resource allocation such as personnel, equipment, facilities, materials, and external collaborations needed to support the R&D initiatives funded by the budget allocation, risk management and innovation pipeline.

2.3.2 Hiring new sales staff.

We are planning to hire new sales staff to drive revenue, expand market reach, manage customer relationships, represent the brand, gather market insights, and achieve growth targets. It is a fact that a well-trained and motivated sales team is indispensable for the success and growth of our business.

For a successful recruitment process and integration of new team members, the task will be conducted based on the position description, recruitment strategy, selection criteria, interview process, training and onboarding, compensation and benefits, performance expectations, support and resources, team dynamic and culture fit, and timeline and budget. By adhering to these keynotes, the hiring of new sales staff will ensure that the

recruitment process is aligned with the company's goals, values, and objectives. This helps to attract and retain top talent and build a high-performing sales team that drives business growth and success.

2.4. Timeline of activities

With our business timeline of activities, we can effectively plan, execute, and monitor progress toward achieving our business objectives or goals. It is worth noting that a well-defined timeline helps ensure that activities are completed efficiently, resources are utilized effectively, and desired outcomes are achieved within the specified timeframe.

2.4.1 Complete hiring and initial marketing by the end of Q1

It is planned that by the end of Q1, the business operations hiring process of key personnel and selected teams as well as initial marketing will be complete. This will serve as a roadmap for achieving our objectives effectively and timely. By the end of Q1, we will be implementing our initial marketing plan based on the marketing goals, identified target audience, marketing strategies, marketing channels, messaging and branding, budget allocation, timeline, measurement, evaluation testing and optimization.

2.4.2 Product development by the end of Q2

By the end of Q2, the product will be already developed after undergoing engineering and development processes according to the approved design specifications including manufacturing, testing, and quality assurance (QA). Similarly, iterative development will be already conducted regarding multiple cycles of testing, feedback, and refinement to improve the product's performance, reliability, and usability.

2.4.3 Full marketing push and sales expansion from Q3 to Q4

Through Q3 to Q4, we expect to undertake a full marketing push and sales expansion as a comprehensive strategy that integrates marketing and sales efforts to drive growth and achieve our business objectives. This will ensure alignment between marketing and sales efforts to maximize synergy and effectiveness. Similarly, to develop lead generation and nurturing strategies to feed qualified leads into the sales pipeline. In the same vein, provide the sales team with the necessary tools, resources, and support to effectively engage with prospects and convert leads into customers. This may include sales enablement technologies, CRM systems, sales training, and sales support materials. Establish a feedback loop between marketing and sales to exchange insights, feedback, and data. Additionally, use this feedback to refine marketing strategies, improve lead quality, and optimize sales processes.

Indeed, a full marketing push and sales expansion provide a roadmap for integrating marketing and sales efforts to drive growth, acquire new customers, and achieve business objectives effectively. This comprehensive approach ensures that marketing and sales activities are aligned, coordinated, and optimized to maximize results and deliver a positive return on investment.

2.5. Business Monitoring

Our monitoring of the business progress involves keeping a close watch on various aspects of the business to ensure its smooth operation, compliance with regulations, and alignment with strategic objectives. Among the key aspects of concern are financial performance, key performance indicators, market trends, operational efficiency, regulatory compliance, risk management, customer feedback, employee engagement, technology infrastructure and strategic alignment.

Generally, the business monitoring process will involve a combination of financial reports, performance dashboards, data analytics, market research, and qualitative feedback to provide a comprehensive view of the business's performance and health. Regular monitoring will be accrued to enable proactive decision-making, timely interventions, and continuous improvement initiatives.

2.5.1 Monthly review meetings

Monthly review meetings will be conducted as they are essential gatherings where key stakeholders come together to assess the performance of the business, review progress toward goals, identify challenges, and strategize for the future. The monthly review meetings will provide an opportunity for collaborative decision-making, problem-solving, and alignment among stakeholders. They will also help ensure transparency, accountability, and agility in responding to changes in the business environment. Effective communication and documentation of action items and decisions are essential to drive progress between meetings.

2.5.2 Quarterly Performance Reports

Quarterly business performance reports will be produced to provide a comprehensive overview of the business's performance over three months. These reports typically contain a range of key information to help stakeholders assess the company's progress towards its strategic objectives and identify areas for improvement. The reports will dwell on information relating to financial performance, goal progress, sales and revenue analysis, operational efficiency, customer feedback and satisfaction, market trends and competitive analysis, risk assessment, strategic initiatives and project and future outlook and guidance.

It is worth appreciating that the quarterly business performance reports serve as a valuable tool for management, investors, and other stakeholders to assess the company's financial

health, operational efficiency, and strategic direction. They provide insights into the company's performance trends, strengths, weaknesses, and growth opportunities, helping stakeholders make informed decisions and drive business success.

2.6. Frequent Communication

Frequent communication within the business is our priority as we find it crucial for ensuring alignment, transparency, collaboration, and effective decision-making. Our communication takes various forms, including team meetings, email updates, instant messaging, video conferences, and collaboration tools. The goal is to ensure that information flows freely throughout the organization, enabling teams to work cohesively towards common goals and adapt quickly to changes in the business environment.

2.6.1 Weekly team briefings

Weekly team briefings are essential gatherings where team members come together to share updates, align priorities, and foster collaboration. The weekly team briefings shed light on business progress updates, upcoming deadlines and deliverables, priority setting, resource allocation, problem-solving, feedback and communication, recognition and celebration, training and development opportunities, customer feedback and insights and general business updates. The weekly team briefings will provide a structured forum for team members to stay informed, aligned, and engaged, promoting collaboration and productivity. They help ensure that everyone is working towards common goals and can effectively coordinate efforts to achieve success.

2.6.2 Monthly stakeholder updates.

Monthly stakeholder updates are essential for keeping key stakeholders informed about the business's progress, challenges, and strategic direction. These updates ensure transparency, alignment, and accountability among stakeholders. Among the pivotal

information which has to be shared include financial performance, market trends and competitive analysis, customer feedback, operational updates, risk assessment and mitigation strategies, policy changes and compliance updates and forecast outlook. In reality, monthly stakeholder updates serve as a valuable communication tool for maintaining alignment, transparency, and engagement among stakeholders. They enable informed decision-making, facilitate discussions, and foster trust and confidence in the organization's leadership and direction.

2.7. Risk management

Our business risk management strategy involves identifying, assessing, and mitigating risks that could impact the achievement of the business objectives. Our risk management approach adheres to risk identification, risk assessment, risk mitigation strategies, risk monitoring and reporting. Risk management strategies include also risk classification such as compliance and regulatory, financial risks, operational risks, cyber security, supply chain risks and strategic risks.

2.7.1 Risks of potential delays in R&D

In our business risk management strategy, we will strongly devote efforts to analysing and controlling the risks associated with potential delays in R&D such as technical challenges, resource constraints, regulatory compliance, intellectual property challenges, market uncertainty, supplier or partner delays, scope creep, risk of failure, global events and external factors and poor project management. This will be achieved by implementing robust project management processes, conducting thorough risk assessments, allocating sufficient resources, fostering collaboration among multidisciplinary teams, and maintaining flexibility to adapt to changing circumstances throughout the R&D lifecycle.

2.7.2 Development of contingency plans for budget overruns

Developing contingency plans for budget overruns is crucial for our businesses to mitigate financial risks and ensure project success. Our business contingency plans for budget overruns will be based on identification of potential budget overruns, risk assessment and prioritization, contingency budget allocation, mitigation strategies, monitoring and control mechanisms, triggering points and escalation procedures, communication plan, decision and documentation, scenario planning and post project review and lesson learned. By incorporating these key elements into contingency planning for budget overruns, our businesses can better manage financial risks, protect project profitability, and enhance overall project performance.

3. MARKET ANALYSIS

The market for petroleum jelly products is unsaturated, with the potential for massive growth and expansion.

3.1 Market overview for potential growth

According to market research future.com, the petroleum jelly market size was valued at USD 0.51 Billion in 2022. The report further indicates that the petroleum jelly industry is projected to grow from USD 0.53 Billion in 2023 to USD 0.74 Billion by 2032, exhibiting a compound annual growth rate (CAGR) of 4.30% during the forecast period. Growing demand for natural and organic skincare products and the increasing prevalence of online retail channels are the key market drivers enhancing the market growth.

3.2 Consumer characteristics

The surge in demand for natural and organic skincare products is a crucial driver in the petroleum jelly market. Consumers are increasingly opting for formulations with minimal additives and sustainable sourcing. This trend has prompted the development of natural and organic variants of Petroleum Jelly, catering to those seeking eco-friendly and skin-friendly options. Brands are responding by introducing Petroleum Jelly products that align with clean beauty preferences, capitalizing on the appeal of naturally derived ingredients. As awareness of environmental impact and ingredient transparency grows, the availability of natural and organic Petroleum Jelly variants continues to drive consumer choices and influence the evolving landscape of the Petroleum Jelly market.

The growing emphasis on eco-friendly and sustainable packaging drives the petroleum jelly market. Consumers are increasingly conscious of the environmental impact of packaging materials. Brands in the Petroleum Jelly market are responding by adopting sustainable packaging solutions, including recyclable and biodegradable options. This focus on eco-friendly packaging aligns with consumer preferences for environmentally responsible products, influencing purchasing decisions. Companies are leveraging packaging innovations to enhance their brand image and meet the demand for sustainable practices. As sustainability becomes a key factor in consumer choices, the Petroleum Jelly market is witnessing a shift toward environmentally friendly packaging solutions, contributing to its growth and evolution in the beauty and personal care industry.

3.3 Market competition

The market competition for petroleum jelly products is affordable due to high demand, increasing population, strengthening personal income, and changing consumer taste for more organic products. Based on Euromonitor International, the cosmetics market in Kenya, Tanzania, and Uganda is worth USD 151 million and is projected to grow to USD 231 million. It is worth noting, for example, that Tanzania's expanding middle class is increasingly young and urban, and demand for high-quality cosmetics is increasing. Many Tanzanians buy their products at high-end supermarkets, beauty stores, pharmacies, online, and abroad. Thus, opportunities for other supply outlets are still open, providing an avenue to reach more consumers in a simplified supply chain.

3.4 Market share

Based on our vision and mission, centred on high-quality products and timely services to customers throughout the production and distribution channels, we expect to capture a market share of ten percent (10%) within six years of operations.

4. PRODUCTS IDENTIFICATION

Our products will be easily identified and differentiated through unique packaging labels, quality bottles, and affordable prices. At Lifemerge East Africa Ltd. we take serious note of the uniqueness of our product identification due to its importance for quality assurance, branding, and consumer trust. Here are some strategies we look at:

- i. **Labeling and Packaging:** Ensure that each product has a unique label and packaging design. This can include distinct colours, logos, and branding elements that differentiate one product from another within the same line or brand.

- ii. **Batch Coding:** Implement a batch coding system where each batch of petroleum jelly produced is assigned a unique code. This code can be printed on the packaging and used for tracking and identification purposes. It helps in traceability in case of any quality issues or recalls.
- iii. **Product Variants:** If offering different variants of petroleum jelly (e.g., scented, coloured, medicated), clearly differentiate them through labeling and packaging. Highlight the unique features of each variant to make them easily identifiable to consumers.
- iv. **Quality Control Measures:** Implement rigorous quality control measures throughout the production process to ensure consistency and quality of each product. This includes testing for purity, consistency, and any added ingredients.
- v. **Barcoding and RFID:** Use barcoding or RFID (Radio-Frequency Identification) technology for inventory management and tracking. Each product can have a unique barcode or RFID tag that helps in identifying and managing inventory efficiently.
- vi. **Online Product Databases:** Maintain an online database where consumers can verify the authenticity of the product using unique identifiers such as serial numbers or batch codes. This adds an extra layer of security and helps in combating counterfeit products.
- vii. **Product Documentation:** Provide detailed product documentation, including ingredient lists, manufacturing date, expiry date, and batch information. This helps consumers make informed choices and facilitates product identification.
- viii. **Anti-Counterfeiting Measures:** Incorporate anti-counterfeiting features into the packaging, such as holograms, tamper-evident seals, or special inks. These

features make it difficult for counterfeiters to replicate the product and enhance its authenticity.

- ix. **Consumer Education:** Educate consumers about how to identify genuine products by highlighting key features to look for, such as branding elements, packaging design, and unique identifiers. This empowers consumers to make informed purchasing decisions.
- x. **Feedback and Reporting:** Encourage consumers to provide feedback and report any suspicious or counterfeit products. Actively monitor feedback channels and take appropriate action to address any concerns raised by consumers.

By implementing these strategies, our products can effectively be identified and differentiated from others in the market, enhance brand credibility, and ensure consumer confidence in our products' authenticity and quality.

5. TARGET MARKET AND MARKETING PLAN

The targeted market is based on diverse consumers, including men and women, and general family needs. The target market also considers different groups according to their income level, covering lower, middle-, and upper-class-income earners. Generally, the target market for petroleum jelly products is diverse, encompassing various demographics and consumer segments. However, our focus for some key target audiences include:

- i. **Families with children:** Parents often use petroleum jelly for diaper rash prevention, minor cuts, and soothing dry skin for themselves and their children.
- ii. **Outdoor enthusiasts:** People who engage in outdoor activities such as hiking, camping, or skiing may use petroleum jelly to protect against chapped lips and windburn, and as a barrier for preventing blisters.

- iii. **Beauty and skincare enthusiasts:** Some consumers use petroleum jelly as a moisturizer or as a component in skincare routines for its hydrating properties.
- iv. **Medical and healthcare professionals:** Petroleum jelly is often used in healthcare settings for wound care, such as covering minor cuts and burns, and for protecting sensitive skin areas.

Our marketing plan will adhere to the following strategies:

- i. **Product Positioning:** Emphasize the versatility and effectiveness of petroleum jelly for various purposes such as skin care, wound healing, and protection against environmental elements.
- ii. **Branding and Packaging:** Develop branding and packaging that communicates trust, reliability, and safety. Clear labelling indicating uses and benefits can help consumers understand the product's versatility.
- iii. **Digital Marketing:** Utilize social media platforms, blogs, and websites to educate consumers about the different uses and benefits of petroleum jelly. Engage with influencers in parenting, outdoor adventure, beauty, and healthcare niches to reach target audiences effectively.
- iv. **Content Marketing:** Create informative content such as how-to guides, tips for skincare, and first-aid tips that highlight the uses of petroleum jelly. This content can be shared on the company's website, blog, and social media channels to attract and retain customers.
- v. **Retail Partnerships:** Collaborate with retailers such as pharmacies, supermarkets, and outdoor gear stores to increase product visibility and availability. In-store displays and promotions can help drive sales and educate consumers about the product.

- vi. **Customer Loyalty Programs:** Implement loyalty programs or offer discounts to encourage repeat purchases and build customer loyalty.
- vii. **Product Innovation:** Continuously innovate by introducing new product variants, such as scented or tinted petroleum jelly, to cater to different consumer preferences and trends in the market.
- viii. **Customer Feedback and Reviews:** Encourage customers to provide feedback and reviews about the product, which can help improve product quality and address any concerns or issues raised by consumers. Positive reviews can also serve as testimonials to attract new customers.

Additionally, the geographical market target and plan will start with Tanzania and later expand gradually to the rest of East African countries. Sustainable market penetration will be achieved through low market entrance prices and gradual increases in price according to the fluctuation in production, distribution, and overall operational costs.

6. BUSINESS DEVELOPMENT STRATEGY

The business will employ an intensive strategy for its growth and development for perpetual succession. The management will use intensive efforts to improve the business's competitive position through its products and quality services to the stakeholders, including customers, suppliers, lenders, government organs, and the general public. Similarly, in our business development strategies, we will devote attention to understanding the market, consumer needs, and competitive landscape. To achieve this goal, we consider several steps and strategies as described hereunder:

- i. **Market Research:** A thorough market research has been conducted and will further be conducted to understand the demand for petroleum jelly products. This

will enable us to identify target demographics, such as skincare enthusiasts, parents with young children, or outdoor enthusiasts.

- ii. **Product Differentiation:** We intend to differentiate our products from competitors by offering unique features or formulations. This could include adding vitamins, natural ingredients, or fragrances, or creating specialized variants for specific uses like skincare, wound healing, or cosmetic applications.
- iii. **Brand Positioning:** We will position our brand in the market based on the unique value proposition of our products by highlighting the attached special benefits, such as moisturizing properties, hypoallergenic formulas, or sustainability initiatives.
- iv. **Distribution Channels:** We will use the most effective distribution channels for reaching our target market. This could include retail stores, pharmacies, online marketplaces, or direct-to-consumer sales through our website.
- v. **Marketing and Promotion:** The company will comprise a comprehensive marketing strategy to raise awareness and drive sales. This could involve traditional advertising methods like television, print, and radio, as well as digital marketing tactics such as social media campaigns, influencer partnerships, and search engine optimization (SEO).
- vi. **Packaging Design:** We intend to invest in attractive and functional packaging that stands out on the shelf and communicates the benefits of our products. We consider eco-friendly packaging options to appeal to environmentally-conscious consumers.
- vii. **Price Optimization:** We will employ the optimal pricing strategy based on production costs, competitor pricing, and perceived value. With time we intend

also to offer discounts, promotions, or bundle deals to incentivize purchase and encourage repeat business.

- viii. **Customer Engagement:** Our business will achieve sustainable development by fostering a strong relationship with our customers through excellent customer service, loyalty programs, and engagement on social media platforms. Encourage user-generated content and reviews to build trust and credibility.
- ix. **Expansion and Innovation:** We will continuously innovate and expand our product line to meet evolving consumer needs and trends by exploring opportunities for developing complementary products or entering new market segments.
- x. **Sustainability Initiatives:** The business will implement sustainable practices throughout its supply chain and production process to appeal to environmentally conscious consumers. We also intend to highlight any eco-friendly certifications or initiatives in our marketing materials.

Therefore, by implementing these strategies, we can effectively develop and promote petroleum jelly products that resonate with consumers and drive business growth.

7. REQUEST FOR FUNDING

The business capital structure is a mix of owner funding and external financing (lenders). Regarding external financing, we are seeking \$850,000 in funding to establish the production of petroleum jelly products after a thorough analysis of market needs and competitive edge. This investment will be utilized efficiently and effectively to accelerate our growth trajectory and achieve our strategic objectives. In return for the funding, we

are prepared to make timely repayment according to the terms that are mutually beneficial and align with our long-term vision.

7.1. Utilization of Requested Funds

The main objective of requesting funding is to enhance capital investment to take abreast of the opportunities arising in this market. We intend to expand extensively our production line by mechanization by acquiring various state-of-the-art machinery and equipment including Bottle Blowing Machines, Homogeneous Mixing Machines/Tanks, Reservoir Tanks, Filling Machine, Capping Machines, Labeling Machine, Wrapping Machine and Preformed Mold Importation.

We also intend to utilize this fund for sourcing adequate raw materials through the importation of relevant materials to meet the new production-level requirements. We intend also to enhance our sales and distribution lines by purchasing sales, marketing and distribution vehicles. We also intend to use this fund as a seed for marketing and awareness activities.

7.2. Expected Results from this Investment.

Through the investment of the requested funds, we are expected to operate at a high and competitive level by improving productivity and profitability. We are expected to expand our production as well as the introduction of new varieties of Petroleum Jelly. We are also expected to commence production high quality Lotion, Cream, Hair Oil, Shampoo, Skin and Hair Conditioners, Shower Gel etc.

This investment is expected to increase the visibility of our products in the market hence increasing our customer base. This coupled with our internal strength and product quality will be crucial for market penetration and increase our market share.

7.3. Fund Use Optimization

In the course of running our business, we intend to optimize the use of both our capital and funding from financiers (lenders) by creating a balanced financial strategy. This will be achieved by taking the following appropriate initiatives:

- i. **Assess Financial Needs:** Evaluation of the capital requirements for various aspects of the business will be properly conducted, including operations, expansion, and emergencies.
- ii. **Utilize Owner's Capital Wisely:** Owners' capital as well as internally generated funds will be used for financing operating expenditures and other expenses recurring at our current operational level.
- iii. **Leverage Lenders' Funding:** We are aiming to secure funding from lenders for mid-term needs or immediate cash flow gaps. This could specifically be business loans or other forms of business financing. The funding will be used strategically to invest in our expansion strategies including long-term investments, such as purchasing assets, research, and development, or expanding the business. It can also serve as a buffer during lean times.
- iv. **Manage Debt Responsibly:** We will ensure that the business can comfortably service its debt obligations by structuring repayment schedules that align with cash flow projections. This commitment will be achieved by avoiding over-leveraging, which can strain finances and hinder growth.

- v. **Optimize Capital Structure:** We expect to balance the mix of owners' capital and debt to minimize the cost of capital while maintaining financial stability.
- vi. **Monitor and Adjust:** We will regularly review financial performance and adjust the capital structure as needed. This includes refinancing debt to secure better terms, raising additional internal funding if necessary, or reallocating funds to more profitable product lines.
- vii. **Communicate Transparently:** We will always keep stakeholders informed about the financial strategy and performance of the business. This will foster trust and confidence among owners, lenders, and other key partners.

Thus, by effectively managing both owners' capital and funding from lenders, we will be in a better position to optimize the financial resources to support growth, mitigate risks, and maximize returns.

8. FINANCIAL PROJECTIONS

The financial projections which are presented in this section are useful tools which provide a forward-looking estimate of the company's financial performance over six years. These projections are based on forecasted data, market trends, industry analysis, and assumptions about future conditions. They include forecasts of revenues, expenses, profits, cash flows, and other financial metrics. These financial projections are crucial for guiding us in our strategic planning, securing financing, and assessing the feasibility of business initiatives. The financial projections also help our stakeholders understand the potential financial outcomes of various scenarios and make informed decisions to drive the business forward.

Table: Sales Forecast

Year	Forecasted Sales	Cost of Sales
Year 1	\$160,000	\$96,000
Year 2	\$471,400	\$282,840
Year 3	\$565,680	\$339,408
Year 4	\$612,820	\$367,692
Year 5	\$707,100	\$424,260
Year 6	\$883,875	\$530,325

Projected Cash Flow

Pro Forma Cash Flows

	Yearly Cash Flows Projections					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Operating Activities						
Cash Sales	\$120,000	\$353,550	\$424,260	\$459,615	\$530,325	\$662,906
Cash from Receivables	\$40,000	\$117,850	\$141,420	\$153,205	\$176,775	\$220,968
Subtotal Cash from Operations	\$160,000	\$471,400	\$565,680	\$612,820	\$707,100	\$883,875
Expenditure on Operations						
Production Spending	\$96,000	\$282,840	\$339,408	\$367,692	\$424,260	\$530,325
Bills Payment	\$35,200	\$103,708	\$124,449	\$134,820	\$155,562	\$194,452
Net Cash Provided by Operating Activities	\$28,800	\$84,852	\$101,822	\$110,307	\$127,278	\$159,097
Investing Activities						
Investment on Equipment	\$850,000	\$0	\$0	\$0	\$0	\$0
Working Capital	\$150,000	\$0	\$0	\$0	\$0	\$0
Net Cash Used in Investing Activities	\$1,000,000	\$0	\$0	\$0	\$0	\$0
Financing Activities						
Owners' Capital	\$300,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
External Financing	\$850,000	\$0	\$0	\$0	\$0	\$0
Loan Repayment	\$162,917	\$162,917	\$162,917	\$162,917	\$162,917	\$162,917
Net Cash Provided by Financing Activities	\$987,083	\$(62,917)	\$(62,917)	\$(62,917)	\$(62,917)	\$(62,917)

Cash Balances	\$15,883	\$21,935	\$38,906	\$47,391	\$64,361	\$96,181
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Projected Profit and Loss

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Pro Forma Profit and Loss						
Sales	\$160,000	\$471,400	\$565,680	\$612,820	\$707,100	\$883,875
Cost of Sales	\$96,000	\$282,840	\$339,408	\$367,692	\$424,260	\$530,325
Gross Margin	\$64,000	\$188,560	\$226,272	\$245,128	\$282,840	\$353,550
Sales and Marketing Expenses						
Marketing Expenses	\$9,200	\$10,120	\$11,132	\$12,245	\$13,470	\$14,820
Advertisement Expenses	\$7,600	\$7,980	\$8,380	\$9,000	\$9,700	\$10,600
Total Sales and Marketing Expenses	\$16,800	\$18,100	\$19,512	\$21,245	\$23,170	\$25,420
General and Administrative Expenses						
Administrative Payroll	\$20,000	\$21,000	\$22,050	\$23,000	\$24,300	\$25,200
Depreciation Expense	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other general Expenses	\$3,000	\$3,150	\$3,300	\$3,500	\$3,600	\$4,000
Total General Administrative Expenses	\$28,000	\$29,150	\$30,350	\$31,500	\$32,900	\$34,200
Total Operating Expenses	\$44,800	\$47,250	\$49,862	\$52,745	\$56,070	\$59,620
Profit before Interest and Taxes	\$19,200	\$141,310	\$176,410	\$192,383	\$226,770	\$293,930
Interest Expense (Finance cost)	\$127,500	\$127,500	\$127,500	\$127,500	\$127,500	\$127,500
Earnings after Interest	(\$108,300)	\$13,810	\$48,910	\$64,883	\$99,270	\$166,430
Taxes	\$0	\$4,143	\$14,673	\$19,465	\$29,781	\$49,929
Net Profit	(\$108,300)	\$9,667	\$34,237	\$45,418	\$69,489	\$116,501