

AB MARINE PRODUCTS LIMITED

**BUSINESS PLAN
FOR
ICE BLOCK PRODUCTION**

AB MARINE PRODUCTS LIMITED

1.0 Introduction

AB MARINE PRODUCTS LIMITED is a private limited liability company registered in Tanzania with Certificate of Incorporation No. 57247 dated 2nd August 2006 planning to invest in ice block production

1.1 Project Concept

Before starting our business, we have secured all the necessary permits and licensing from the relevant Government authorities.

AB MARINE PRODUCTS LIMITED is in business to offer various services to all our customers in Dar es Salaam and neighboring regions. This means that we will be involved in wholesale and retail of ice blocks, cooling services.

Our vision is to ensure that we are well known in and around Egbeda for our various services and to be the preferred brand for many.

AB MARINE PRODUCTS LIMITED intend to run a transparent business that is ethics inclined and that's due to the fact that we are customer centric as we place a high value on our customers and are ready to go the extra mile to ensure that our customers' expectations are not only met but exceeded.

AB MARINE PRODUCTS LIMITED intend to treat all our loyal customers well by ensuring that we offer them discounts during certain times and periods, this will allow them to remain loyal to us and also help refer others to us as well. We intend to build a solid business structure and are willing to go the extra mile in ensuring that we get only competent and hardworking staff to work in our company.

AB MARINE PRODUCTS LIMITED have laid down procedures and structures, therefore only those who clearly align with our vision and philosophy and understand how to take our business from where we are to where we intend it to be, will be chosen to work for our company.

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The management of AB MARINE PRODUCTS LIMITED will ensure that we inculcate the habit of best practices amongst our employees. Also, to keep our employees happy and also productive, we intend to ensure that we not only create an environment that is conducive for them but that we will pay them well and also ensure that they have great welfare packages better than what their counterparts in similar startups such as ours are having.

Our facility is one that is also easily accessible for our employees and is one that will not be inconvenient for them to get to every morning.

This study will be used as a guiding tool and will be presented to TIC for obtaining a certificate of incentives to facilitate the smooth implementation of the project.

1.2 **Location**

The Rice and flour milling and Packaging plant is to be located at **Plot No. 104 Block X, Kisarawe II , Kigamboni, Dar es Salaam, Tanzania**

1.3 **Mission Statement**

Ice block facilities with customized services

1.4 **Vision Statement**

To be a leading company in Ice block production and distribution within Tanzania.

In order for us to achieve our vision, we will ensure that we get a quality ice block making machine and also employ capable hands that will allow us not only meet the expectations of our clients but create a distinction of our business from that of our competitors

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1.5 Audited Reports

AB MARINE PRODUCTS LIMITED is audited by a local reputable auditing firm based in Dar es Salaam, Tanzania.

1.6 Company Values

- Competitive
- Efficiency
- Affordable
- Customized services

1.3 The Sponsors

AB MARINE PRODUCTS LIMITED will be sponsoring this project. The Company is currently jointly owned by two shareholders

Share Holders	% of Share	Nationality
ABDULLAH OMAR HAMAD P. O. Box 54455 DAR ES SALAAM	90	Tanzania
HALIMA ABDULRAHMAN BURHAN P. O. Box 54455 DAR ES SALAAM	10	Tanzania

1.4 Objective of the study

The purpose of this study is to work out the technical and commercial viability of the project

1.6 **Our Products and Services**

AB MARINE PRODUCTS LIMITED is a standard business that is fully registered in Tanzania in order to not only make profit but to close the gap created by lack of availability of ice blocks supply

AB MARINE PRODUCTS LIMITED will be retailing ice blocks and also selling wholesale and also perform other services so as to have multiple sources of income and have a solid bottom line that will boost and sustain our business. Therefore, the products and services that we will make available to our customers are;

- **Wholesale and retail of ice blocks of all sizes**
- **Cooling services**
- **Sale of ice block machines**
- **Advisory services**

1.7 **Our Business Structure**

AB MARINE PRODUCTS LIMITED are set to become a leading ice block making business here in Dar es Salaam as well as all around its environs and to achieve this, it is vital that we build a solid business structure that will allow us start and run our business with as few hitches as possible and also allow us achieve our goals and objectives.

In building a workforce for our business, we will focus on those that understand customer excellence and also the vision that we stand for as a company. Those we will employ must have knowledge of how to work efficiently and how ice block businesses work so that they could help build our business from the start to the level we intend.

Because we will be running an ice block making business that will not be the conventional type that others are running, we will be employing more workers to our business that will be given various positions and tasks. This means that we will not only hire salespeople to sell these ice blocks, we will need those

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with mechanical knowledge that know how to identify genuine ice block machines but can repair them as well.

Therefore, AB MARINE PRODUCTS LIMITED will employ the following people to handle the different responsibilities from its various tasks;

- Chief Executive Officer
- Human Resource and Admin Manager
- Store manager
- Accountant/Cashier
- Ice block machine repair and maintenance manager
- Front Desk Officer
- Distribution and Delivery Driver
- Marketing and Sales Team
- Cleaner
- Security Guard

2.0 Job Roles and Responsibilities

2.1 Chief Executive Officer

In charge of creating the organization's vision, policies and directions and ensuring its effective implementation

- Responsible for creating the organizational budget
- Meets and negotiates with high level clients in order to secure deals on behalf of the company
- Provides counsel, coaching and also disciplining of key staffs all in a bid to achieve organizational goals

2.2 Human Resource and Admin Manager

In charge of recruiting, selecting and carrying out orientation of new employees in order to get them attuned to the organization

- Conducts staff induction or new members
- In charge of employee welfare and other incentives

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- Ensures the smooth running of the company administration-wise

2.3 **Store manager**

In charge of interacting with customers and ensuring that they make a purchase

- Ensures that ice blocks in supply is in conjunction with the requirements of the management
- Ensures that the store is always kept clean at all times and carries out light repairs on defects, when necessary, on behalf of the organization

2.4 **Accountant/Cashier**

- In charge of preparing financial reports, statements and budgets for the organization
- Monitors cash inflow and outflow and ensures that they are well documented
- Develops financial policies and also administers payroll on behalf of the organization

2.5 **Ice block machine repair and maintenance manager**

- Carries out repairs and maintenance services on company's ice block making machines
- Repairs ice block machines for clients on behalf of the organization
- Handles any other duty as assigned by the human resources manager

2.6 **Front Desk Officer**

- In charge of attending to enquiries and orders from clients
- Receives customers' complaints and ensures that it is promptly attended to
- Have an updated and accurate customer database on behalf of the organization

2.7 **Distribution and Delivery Driver**

- Drives and maintains the company's delivery and distribution vans
- Ensures that ice blocks are delivered at the right destination

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- Drives safely at all times and obeys all traffic regulations

2.8 Marketing and Sales Team

- Conducts a market survey in order to determine new target markets for the organization
- Drafts an effective marketing strategy to bring in revenue for the organization
- Carries one-on-one marketing and achieve sales revenue on behalf of the organization

2.9 Cleaners

- Cleans the premises and ensures that it is kept clean at all times
- Ensures that the cleaning supplies are always in stock
- Carries out other duties as might be determined by the Human Resources Manager

2.10 Security Guard

- Ensures that the facility and outside premises is secured at all times
- Gives security tips to staffs of the organization from time to time
- Handles any other duties as might be assigned by the Human Resources Manager

Total of 25 employees to be employed by AB MARINE PRODUCTS LIMITED

3.0 SWOT Analysis

Before starting an ice block business or any business for that matter, one has to understand the business concept in order to determine if the business is worth going into.

Because we intend to run a standard ice blocks production, we have hired the services of a reputable business consultant here in Dar es Salaam, who not only understands the kind of business we are going into but also the area which we intend operating from to look critically at our business and help us determine how we are likely to make it here.

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The business consultant will be making use of four attributes – strengths, weaknesses, opportunities, and threats – in order to determine how likely our ice block making will succeed and compete favorably against its competitors. Below is a of the SWOT analysis that was conducted on behalf of AB MARINE PRODUCTS LIMITED;

3.1 Strengths

Our strength lies in the fact that we are located in an area that is densely populated and has less supply of electricity compared to other parts of Dar es Salaam, this will make our service a highly demandable one for traders, caterers, and domestic users.

Also, we are offering various services in addition to our core service, which makes us to stand out from our competitors who are not offering half of what we are.

AB MARINE PRODUCTS LIMITED also have in our employ dedicated and committed staffs that have the experience are attuned to our corporate goals and objectives and are willing to work hard to ensure that we attain our corporate goals and objectives. Also, our excellent customer culture is already giving us a high ranking as we have a high retention of our clients compared to that of our competitors.

3.2 Weaknesses

AB MARINE PRODUCTS LIMITED weakness stem from the fact that we are relatively new in the business and as such might not have the required finance and staff capability to be able to get as much customers as we like or be able to compete favorably against our neighbors.

3.3 Opportunities

Kigamboni is such a huge place in Dar es Salaam and so affords us enough opportunities especially as more people are yet to be aware of our core service and cooling van services that we offer.

The high population figure here in Kigamboni affords us the huge opportunities we will need to grow and expand our business.

3.4 Threats

Like every other business, we face certain threats to our business as well. One major threat that we will face is the arrival of a major competitor in the same location where we are operating from and offering the same services that we will be offering our customers.

Another threat is a major economic downturn that will cause low patronage from all our customers and lead to low revenue. Also, we are likely to face threats from those who are not in our line of business but who have large refrigerators and can put on their generating sets in order to gain a few customers from our target market.

Also, if the power problem improves and remains steady, we would see a drop in patronage for our services. As a business we are used to any threats that might crop up and are fully ready to combat any threat that our business is likely to face with strategies of our own.

4.0 MARKET ANALYSIS

4.1 Market Trends

Even though many people own their own refrigerators and fridges that are designed to cool their own drinks, these devices cannot however be carried by people anywhere they go and as such they have to buy from places where drinks are cool.

Most of these vendors who are everywhere buy these ice blocks and cool these drinks for their various customers. This means that the more people are out of their homes, the more they are likely to buy chilled water or drinks outside their homes and the more ice blocks are likely to be sold.

Asides from vendors, other people who also use ice blocks are caterers and those hosting an event that would then need to chill the drinks so that the various invited guests will have something cool and refreshing. Ice blocks offer these people a convenient way at cooling their drinks instead of using a fridge or refrigerator that would hardly serve the purpose.

4.2 **Our Target Market**

Even though we are located at a very strategic location here in Kigamboni, we still had to conduct market research on who our customers are likely to be and how best we would draft the strategies that will allow us gain a huge share of the target market.

The market research allowed us to understand the characteristics of our target market and also know what they would be expecting from us.

Therefore, the following are those that we will be offering our services to and they are; pure water vendors, soft drink vendors, caterers, households, event hosts, ice block vendors and market traders (meat and fish traders). They are those we will concentrate in marketing our services to.

4.3 **Our competitive advantage**

Our aim of starting an ice block making business is to be able to fill in the gap caused by the lack of electricity supply and ensure that those who require cool drinks are able to get one in order to stay hydrated and also able to feel refreshed especially when they are out and about under the heat of the sun.

However, in conducting our market survey, we have found that we are not the only ice block making business here in Dar es Salaam, which means we are likely to face stiff competition in offering our services to the target market.

The feasibility study we conducted allowed us to thoroughly assess our competitors and understand their strengths and weaknesses. Knowing their attributes also allowed us to be able to come up with certain competitive strategies that will be of huge advantage to us and allow us not only attract but retain a huge part o our customers.

The first competitive advantage we have is that we are offering more services than the average ice block making business. This means customers are more likely to patronize us because they know they will get more from us than they would from our competitors.

Also, we understand the value of our customers, which is why we are customer-centric and offer our customers the best care as compared to our

competitors. We offer our customers incentives from time to time and also ensure that loyal customers get something from us especially when they refer others to us.

Finally, we employed dedicated and committed staffs that understand how best to run a business such as ours and how we can achieve our goals and objectives as a company. Our employees will be well taken care of as their welfare package will be amongst the best across similar startups such as ours in the industry. This will ensure that they put in their best and increase productivity for our business.

5.0 Sales and Marketing Strategy

5.1 Marketing Strategy and Sales Strategy

Marketing is very important for our business because not only will we generate the needed revenue that will grow and sustain our company, but it will also give us a chance to promote the image of our company well. It is to this effect that we have created a marketing budget to be able to cater to all the efforts that it will take to bring in more customers to our company.

AB MARINE PRODUCTS LIMITED intend also to ensure that we draft marketing and sales strategy that will allow us to penetrate the target market and gain a huge share of customers to our business.

Building a loyal database of customers takes time and we are fully prepared to do so in less time that it will normally take as we intend to deploy conventional and unconventional means in getting the customers we would need for our business.

Asides our core service, we would be offering complimentary services as well which are cooling services and maintenance and repairs of ice block machines or assistance in procuring new machines for our customers. We have empowered our marketing and sales team to draft the necessary strategies that will see us attaining our corporate sales goals and objectives.

We have therefore adopted the following strategies that will ensure that we do not only attract customers but make sure that they become loyal and that

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a huge percentage of them are retained. Therefore, parts of the marketing and sales strategies that we intend to adopt for AB MARINE PRODUCTS LIMITED are;

- Ensure that we introduce our ice block making business to vendors, caterers and all the other stakeholders in the business here in Dar es Salaam
- Throw a party to launch our ice block making business in order to gain the attention of our target market and increase awareness for our business.
- Ensure that we place adverts in local newspapers and on three most popular radio and television stations listened to by our target market
- Use our social media platforms such as Facebook and Twitter as well as our official website to market our business
- Distribute attractive handbills and fliers in target locations and paste some at bus stops
- Place flexi banners around strategic points here in Kigamboni and its environ

5.2 Publicity and Advertising Strategy

Even though we intend offering several services that is far better than that of our competitors, we would still need to ensure that we improve on our publicity so that we could not only increase awareness for our business and also compete favorably against our competitors but we would also generate revenue that will boost our business and allow us to grow.

We might need to engage the services of a brand consultant who thoroughly understands the market to help us draft publicity strategies that would be beneficial to our business. Also, the publicity strategies will help communicate our brand positively to our target market. Some of the platforms which we intend to use to promote and advertise our ice block making business are;

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- Position flexi banners at strategic locations so as to increase awareness for our brand and the services we offer
- Distribute our fliers and handbills in target areas here at Egbeda
- Use social media platforms such as Facebook and Twitter to promote and advertise our business
- Create an official website and use this to advertise our ice block making business
- Place adverts on local newspapers and on certain radio and television stations
- Ensure that our staff wear customized official tee-shirts when at the office or out at the field

5.3 **Our Pricing Strategy**

Deciding on what prices we would offer our products is very vital as we do not want to offer our customers prices that are too high and might cause them to patronize our competitors or prices that are too low that we would be running at a loss and therefore kill off our company completely.

There are several factors that we would consider when determining the prices for our products and they are; what our operating costs are, what our overheads are, what our competitors are offering and what the demand rate is.

In order to however attract more customers into patronizing our business, we intend to offer all our clients a discount on purchases for the first three months of operation. Even though this might cause us to run at a low margin, we are quite assured that we would not be running at a loss.

The average price of ice bag is \$1.50 and \$3.

5.4 **Monitoring and Evaluation**

The Management has full commitment to ensuring goods produced maintain the safety and standards required in the market. The quality control unit will establish a system of routine checking and getting feedback from customers,

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management philosophy is through business process, managers will strive to ensure compliance with standards and the safety of the products and customers they serve.

6.0 PROJECT INVESTMENT COST

The estimated capital investment cost of the project is US \$ 1,500,000

AB MARINE PRODUCTS LIMITED COST STRUCTURE US\$

Land and Buildings	250,000.00
Machinery & Equipment	400,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	2,500.00
Pre exp	4,000.00
Others	3,500.00
Working Capital	240,000.00
TOTAL	1,000,000.00

For the project to be a reality a total investment amounting to US \$1,000,000 is needed for the production of Capacity 800,00 ice blocks per year

6.1 Financing pattern

The project will be financed by Equity US\$1,000,000

6.2 Aspect 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 Government support for industrialization and rises of middle-income earners gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

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7.0 Financial Analysis

7.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs 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 the experience of the promoters and trends in the ice blocks industry in general.

7.2 Financial Statements:

7.3 Projected Revenue

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

AB MARINE PRODUCTS LIMITED PROJECTED REVENUE LTD

	1	2	3	4	5
Revenue	2,250,000	2,362,500	2,480,625	2,604,656	2,734,889

7.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 year period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US\$380,275 in first year to US\$ 5th year

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AB MARINE PRODUCTS LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5
Revenue	2,250,000	2,362,500	2,480,625	2,604,656	2,734,889
Operating Expenses:	1,687,500	1,771,875	1,860,469	1,953,492	2,051,167
Profit before Depreciation & Interest	562,500	590,625	620,156	651,164	683,722
Interest	-	-	-	-	-
Depreciation	19,250	19,250	19,250	19,250	19,250
Gross Profit	543,250	571,375	600,906	631,914	664,472
Tax (30%)	162,975	171,413	180,272	189,574	199,342
Profit After Tax	380,275	399,963	420,634	442,340	465,131
Accumulated Profit	380,275	780,238	1,200,872	1,643,212	2,108,342

7.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end-of-year cash flow from year 1st, i.e. US\$ 399,525 of operation to the 5th year i.e. US\$ 2,204,592

AB MARINE PRODUCTS LIMITED PROJECTED CASH FLOW " US\$"

		1	2	3	4	5
SOURCES:						
Profit before interest and depreciation	-	562,500	590,625	620,156	651,164	683,722
Equity	1,000,000					
Loan	-					
Total Sources	1,000,000	562,500	590,625	620,156	651,164	683,722
Applications:						
Capital expenditure	752,500	-	-	-	-	-
working Capital & Others	247,500					
Cash	-	399,525	419,213	439,884	461,590	484,381
Tax	-	162,975	171,413	180,272	189,574	199,342
Sub total	1,000,000	562,500	590,625	620,156	651,164	683,722
Total applications	1,000,000	562,500	590,625	620,156	651,164	683,722
Accumulated cash		399,525	818,738	1,258,622	1,720,212	2,204,592

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7.6 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under the same heading. Equity of the project increases from US\$1,000,000 in the first year of operation to US \$3,108,342 in the 5th year

AB MARINE PRODUCTS LIMITED PROJECTED BALANCE SHEET " US \$"

Fixed Assets		1	2	3	4	5
Opening balance	-	752,500	733,250	714,000	694,750	675,500
Additions	-					
Total Long-term Assets	-	752,500	733,250	714,000	694,750	675,500
Less depreciation	-	19,250	19,250	19,250	19,250	19,250
Closing balance	-	733,250	714,000	694,750	675,500	656,250
Working capital	247,500	247,500	247,500	247,500	247,500	247,500
Accumulated cash	-	399,525	818,738	1,258,622	1,720,212	2,204,592
Total assets	247,500	1,380,275	1,780,238	2,200,872	2,643,212	3,108,342
Financed by						
Equity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Accumulated profit	-	380,275	780,238	1,200,872	1,643,212	2,108,342
Total equity	1,000,000	1,380,275	1,780,238	2,200,872	2,643,212	3,108,342
Total equity and debts	1,000,000	1,380,275	1,780,238	2,200,872	2,643,212	3,108,342

7.7 Projected payback period

Total investment is US \$ 1,000,000 cash accumulation 3th year is US \$ 1,017,857 which is more than the initial investment by US\$ US\$ 17,857 the project payback Period is within 3 years

AB MARINE PRODUCTS LIMITED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	380,275	19,250	399,525	158,760
2	399,963	19,250	419,213	577,973
3	420,634	19,250	439,884	1,017,857
4	442,340	19,250	461,590	1,479,447
5	465,131	19,250	484,381	1,963,827

8.0 ECONOMIC ASPECTS

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

- The project is an ideal option for utilization of Government support for industrialization
- The project will create employment for **25 people** on permanent contract basis as well as on temporary basis.
- It will create more business opportunities for local suppliers which will also have a trickledown effect on environmental issues.
- It will generate substantial revenue for the government in the form of corporate tax, value-added tax, and pay-as-you-earn.
- The project will have the transfer of knowledge and skills to manufacturing sector
- The project will generate foreign earnings

9.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once the project has been approved it is estimated that implementation of the project will take hardly 9months to be completed within one year:

AB MARINE PRODUCTS LIMITED IMPLEMENTATION

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	May 2024
2	Renovation of building	June- September 2024
3	Placing order of machines	May– June 2024
4	Installing machines	July-December 2024
4	Recruitment	January 2025
5	In house training	June -September 2025
4	Testing production	September –November 2025
6	Commercial operations	November 2025

9.0 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, 1997.