

GRANDA LOGISTICS EAST AFRICA CO. LIMITED

BUSINESS PLAN



**GRANDA LOGISTICS EAST AFRICA CO. LIMITED
P.O BOX 14826
DAR ES SALAAM**

Executive Summary of the Company

GRANDA LOGISTICS EAST AFRICA CO. LIMITED is a company registered in the country under companies act and bears a **certificate of incorporation No. 178278347** dated on **25TH September 2024**, the company is intending to open up a new with freight hauling and logistics management services in Tanzania. The promoters of the project are well established business with wide knowledge about Tanzania economic sector due to their engagement in the business for period of over five years.

This business plan outlines the development and growth of a logistics company in Tanzania with a capital investment of USD 2,000,000. The company will provide transportation, warehousing, and supply chain management services to businesses across Tanzania, leveraging the country's growing economy, strategic position in East Africa, and increasing need for reliable logistics services.

Granda logistics east Africa co. limited, a company headquartered in Kinondoni district, Dar es salaam, will provide warehouse and logistics management solutions for business clients in the multiple routes within the country regions and East and Central African countries such as Kenya, Uganda, Rwanda, Burundi, Sudan and DRC Congo with freight hauling and logistics management services. The business will haul freight from suppliers to manufacturers to distributors and retailers, operating in partnership with distribution centers, warehouses, and wholesalers.

Vision statement

To become the most reliable logistics service provider in east and central African countries

Mission statement

Granda logistics east Africa co. limited will use management of logistics, on-time, accurate deliveries from destination to destination in the entire area of operations, and partnerships with distribution centers and warehousing businesses to achieve its goals.

Company Overview

- **Business Name:** GRANDA LOGISTICS EAST AFRICA CO. LIMITED
- **Location:** Dar es Salaam, with plans for expansion to Dodoma, Arusha, and other major cities.
- **Services Offered:** Freight transportation (road, air, sea), warehousing, inventory management, customs brokerage, and last-mile delivery.
- **Business Structure:** Private Limited Company
- **Target Market:** SMEs, import/export businesses, retailers, manufacturers, NGOs, and e-commerce businesses

Roles and Responsibilities

CEO is responsible for:

- a) Developing and recommending the Company's strategy, supported by yearly business plans and budgets, to the Board for approval
- b) Running the business and implementing the policies and strategies adopted by the Board
- c) Consistently striving to achieve the Company's financial and operating goals and objectives

COO is responsible for:

- a) Coordinating and controlling efficiency operations of the company core activities
- b) Scheduling and allocation of staff to duties and trucks operations
- c) Monitoring the effective flow of information to both parties of the operations
- d) Assess the principal risks of the Company and to ensure that these risks are being monitored and managed

Accountant is responsible for:

- a) Managing books of accounts and payrolls
- b) Advising the CEO on effective allocation of funds and investment capabilities
- c) Provide financial reports on time basis.
- d) Control the effective operation of marketing and business practices
- e) Ensure that expenditures of the Company are within the authorized annual budget of the Company

Logistics engineer (administrator) is responsible for:

- a) Operation scheduling
- b) Maintenance scheduling
- c) Vehicle inspection control

Drivers and w/house manager responsibilities

- Day to day operation include shipping and stores management

Market Analysis

Industry Overview

The logistics sector in Tanzania is growing, driven by the country's strategic position as a gateway to six landlocked countries (Uganda, Rwanda, Burundi, DR Congo, Zambia, and Malawi), and the expansion of key infrastructure, including ports, roads, and railways. The demand for efficient supply chain management is expected to rise as Tanzania becomes more integrated with regional and global trade.

Target Market Segments

SMEs: A growing number of small to medium-sized enterprises need reliable transport and warehousing solutions.

E-Commerce: The rise of online retailing presents opportunities in last-mile delivery services.

Manufacturers: Local and international manufacturers require seamless logistics to supply goods across the country.

NGOs and Government: Organizations involved in aid, health, and development projects need logistics partners to deliver goods in remote areas.

Competitor Analysis

Competitors include major logistics companies like DHL, local firms, and specialized transporters. The key to differentiating will be in providing reliable services at competitive prices, superior customer service, and leveraging technology.

Business Strategy

Value Proposition

- Reliable and timely delivery services across Tanzania and neighboring countries.
- State-of-the-art warehousing solutions.
- Tailored supply chain management for small and medium-sized enterprises.
- Competitive pricing with flexible service packages.
- Strong customer support and real-time tracking of goods.

Marketing Strategy

- **Online Marketing:** A strong digital presence through a professional website, social media, and online advertising targeting businesses.
- **Partnerships:** Build partnerships with local e-commerce businesses, manufacturers, and import/export companies.
- **Referrals and Word of Mouth:** Customer satisfaction will drive repeat business and referrals.
- **Government Tenders and Contracts:** Positioning the company to win tenders for government logistics contracts.

Operational Plan

Location and Facilities

- **Headquarters:** Dar es Salaam (main office and primary warehouse).
- **Branch Warehouses:** Planned expansion to Dodoma, Arusha, and Mwanza within the first 3 years.

Transportation Fleet

- **Initial Investment:** 5 trucks (3 for long-distance transport, 2 for local deliveries).
- **Additional Fleet:** Plans to add smaller vans for last-mile delivery within urban centers.
- **Fuel Management and Maintenance:** Contracts with fuel suppliers for discounted rates and agreements with local garages for regular vehicle maintenance.

Staffing:

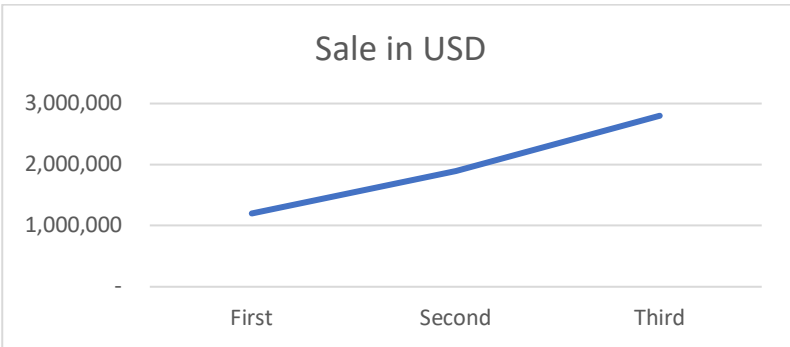
- **Management Team:** General Manager, Operations Manager, Marketing & Sales Manager, and Finance Manager.
- **Drivers and Warehouse Workers:** Skilled drivers and logistics staff to manage daily operations.
- **Customer Service Team:** A dedicated team to handle client inquiries and track shipments.

Technology:

- **Logistics Software:** Implement a logistics management system (LMS) for tracking shipments, inventory management, and scheduling.
- **Fleet Management:** GPS tracking systems for real-time fleet tracking.
- **Mobile App:** For customers to track deliveries, place orders, and communicate with customer support.

Revenue Projections (Year 1-3)

- First Fiscal Year-: \$1,000,000
- Second Fiscal Year-: \$1,600,000
- Third Fiscal Year-: \$ 2,500,000



Projected Profit/Loss

	Y1	Y2	Y3
	\$	\$	\$
Revenue	1,200,000	1,900,000	2,800,000
Cost of sales (Variable costs)			
Staff Recruitment and Training	8,000	-	-
Salaries (for 20 employees)	48,000	65,684	89,884
Truck maintenance and fuel	800,000	1,100,000	1,512,500
Import and custom duties	50,000	68,750	94,531
Office Setup	10,000	-	-
Fleet repair and parts	13,000	17,875	24,578
Shipping, delivery and handling fees	40,000	55,000	75,625
	969,000	1,307,309	1,797,118
Gross profit	231,000	592,691	1,002,882
Operating expenses (Fixed costs)			
Marketing and Branding	15,000	15,000	15,000
Logistics software and technology	7,500	7,500	7,500
Licenses and permits	5,000	5,000	5,000
Salaries (for 10 employees)	24,000	24,000	24,000
Software and technology upkeep	12,000	12,000	12,000
Depreciation	161,250	161,250	161,250
Insurance (annually premium)	24,000	24,000	24,000
Warehouse Rent	35,000	35,000	35,000
Office rent	36,000	36,000	36,000
Utilities (electricity, internet)	24,000	24,000	24,000
Miscellaneous	38,500	38,500	38,500
Total operating expenses	382,250	382,250	382,250
Profit/Loss before tax	(151,250)	210,441	620,632
Income tax charge/credit (30%)	45,375	(63,132)	(186,190)
Net profit / Loss	(105,875)	147,308	434,442

Break-even Analysis

The company is expected to break even within the first two years of operations, driven by cost control, efficient operations, and growth in demand for logistics services.

Projected Balance Sheet

	Initial \$	Y1 \$	Y2 \$	Y3 \$
EQUITY				
Share capital	2,000,000	2,000,000	2,000,000	2,000,000
Retained earnings		(105,875)	147,308	434,442
Total equity		<u>1,894,125</u>	<u>2,147,308</u>	<u>2,434,442</u>
Non-current liabilities				
Loan from investors	-	-	-	-
Borrowings	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity and non-liabilities	<u>2,000,000</u>	<u>1,894,125</u>	<u>2,147,308</u>	<u>2,434,442</u>
REPRESENTED BY:				
Non-current assets				
Fleet Purchase (20 trucks)	800,000	640,000	480,000	320,000
Furniture and fittings	10,000	8,750	7,500	6,250
Total non-current assets	<u>810,000</u>	<u>648,750</u>	<u>487,500</u>	<u>326,250</u>
Current assets				
Inventory	-	-	-	-
Current tax receivable	-	45,375	-	-
Cash at bank and in hand	1,190,000	1,200,000	1,722,941	2,294,382
Total current assets	<u>1,190,000</u>	<u>1,245,375</u>	<u>1,722,941</u>	<u>2,294,382</u>
Current liabilities				
Trade and other payables	-	-	-	-
Current tax payable	-	-	63,132	186,190
Total current liabilities	<u>-</u>	<u>-</u>	<u>63,132</u>	<u>186,190</u>
Net current assets	<u>2,000,000</u>	<u>1,894,125</u>	<u>2,147,309</u>	<u>2,434,442</u>