

BUSINESS PLAN

IN RESPECT OF

LOGISTICS, HARDWARE AND BUILDING MATERIAL BUSINESS

OF

TIGER GENERAL SUPPLY LIMITED

**P. O. BOX 174
SHINYANGA**

Table of Contents

Table of Contents

Table of Contents.....	1
1.0 INTRODUCTION	2
1.1 Background of the business.....	2
1.2 Structure of the Company.....	2
1.3 Main business activities/products	2
2.0 BUSINESS DESCRIPTION	2
2.1 Main business activity.....	2
2.2 Location and legality.....	3
2.3 Business facilities.....	3
2.4 Products description.....	3
3.0 MARKET	3
3.1 Major customers.....	3
3.2 Major suppliers	4
3.3 Competition.....	4
3.4 SWOC analysis.....	5
4.0 MANAGEMENT AND SUCCESS PLAN	5
5.0 EXPECTED RISKS	5
6.0 Economic risk.....	7
6.1 Management Risk.....	7
7.0 SOCIO-ECONOMIC FACTORS	7
7.1 Economic.....	7
7.2 Social.....	7
8.0 CONCLUSION AND RECOMMENDATION.....	8

1.0 INTRODUCTION

1.1 Background of the business

TIGER GENERAL SUPPLY Limited is a company dealing with LOGISTICS and TRADING OF HARDWARE AND BUILDING MATERIALS across Tanzania with its headquarters in MWANZA Region at Nyamagana Municipal. The company has been registered in the year 2024 and has been incorporated under Business Registration and Licensing Authority (BRELA) with incorporation number 177755605. To ensure tax regulations and laws compliance the company is registered with Tanzania Regulatory Authority (TRA) and granted with Taxpayer Identification number (TIN) 177-755-605 and Value Added Tax Registration number (VRN) 40-318939-V. However, the business is registered with local authorities with Business License number BL01713442024-2500004398.

Since the inception of the Company, the business has diversified into hardware business branch in Mwanza region on top of existing business line in Shinyanga region.

1.2 Structure of the Company

The company is owned and managed by two shareholders namely Jibo Sebastian Luduka and Esta Shija Ntugwa. The business is one of the well-established that runs efficiently and visionary. The company is limited by shares

1.3 Main business activities/products

The main course business by the time is Logistics, Hardware trading on building materials for all classes of customers, individuals, corporate entities and Government entities. The company envision to invest on Logistics and expand its capability in terms of working equipment and facilities.

2.0 BUSINESS DESCRIPTION

2.1 Main business activity

The main business activity is Logistics, Hardware trading on building materials across Tanzania. The company anticipates that the market for her products will continue to increase due to increased economic activities and the existence of deployed marketing strategies such as affordable product prices, convenience in products delivery, reliable products as

well as strong management of the company.

The company envision to increase the number of equipment for the reliability and efficiency of services rendered by the company to its clients across the Country.

2.2 Location and legality

The company's main office is located in Region Mwanza, District Nyamagana, Ward Rwagasore, Street Pamba B, Plot number 208, Block E. The Business is registered with TRA, BRELA and Mwanza City Council.

The office utilized by the company is the hired facility under long term lease agreement of five years from the year 2024 August to 2029 August.

2.3 Business facilities

The company hired the place of business and established all required facilities to store hardware and building materials in bulky and be able to serve and reach out as many customers as possible no matter the time.

Currently, on the Logistics side, the company owns one Trailer of class heavy load Vehicle (GVM>3,500kg), one Scania Tractor and one Toyota Dyna of class Light load Vehicle (GVM <= 3,500kg). It is the plan of the company to acquire more of logistics facilities so as to meet its targeted goal of served customers.

2.4 Products description

The company sells a wide range of hardware and building materials which cover from foundation stage of building to the finishing stage. The company also offer logistic service to various customers across Tanzania where company's trucks and vehicle are used to facilitate efficient and safe movement of our customers.

3.0 MARKET

3.1 Major customers

Major company's customers are other businesses which purchase bulky off their place of business where we arrange for logistics to transport their goods to their destinations. Nonetheless, hardware and building materials are supplied to retailers across the town as well as government projects and entities such as Schools, Churches, Mosques, and

individual customers across the region and nearby centers. The company has a strategy of doing business with high value corporate customers such as schools, Churches regardless of the region they operate as well as supply logistics to a wide range of customers; the strategy will help the business to grow with stability.

3.2 Major suppliers

The Company sources her goods from manufacturing Industries within the Country and Import them from outside the country as well as fuel and lubricants suppliers within the country. Some of companies suppliers are Lake Oil Limited, Knauf Gypsum TZ LTD, Imports International limited, Starlink Gulf Trading Ltd etc

3.3 Competition

The company faces stiff competition from existing firms as well as new entrants, as there is no barrier to entry into the market and the market profitability is high. However the company has competitive advantages compared to his competitors such as;

- Corporate world experience of Managing Director of over 10 years.
- Good relationships with suppliers and customers.
- Building strong customer loyalty through relationship selling.
- Diversified businesses to minimize financial and operational risks exposure.
- Offering reliable and durable products and Services,
- Timely delivery due to quality of our vehicles.
- Very happy and committed sales, operation and Management team.

3.4 SWOC analysis

The company considers the following to be her strengths, weaknesses, opportunities and challenges:

Strength <ul style="list-style-type: none">• High quality products• Relationship selling of products• Committed work force.• Experience in the business dynamics• Established strong supply chain.	Weakness <ul style="list-style-type: none">• Limited but intended to increase the number of Logistics Equipment.• Small but growing operational staff.
Opportunities <ul style="list-style-type: none">• Increasing population growth with relatively increasing demand• Strategic business locations in Mwanza and Shinyanga.• Credibility with banks for financial leverage	Challenges <ul style="list-style-type: none">• Frequently change of consumer behavior and demand.• Ever increasing new entrants

4.0 MANAGEMENT AND SUCCESS PLAN

The company is managed and comprises of the managing director and supported by other staff such as accountant, Marketing officers, Cashier, and Stock control officers. The managing director has appointed Mrs. Esta Shija Ntugwa as the successor in running the company.

5.0 EXPECTED RISKS

Due to the reality that the businesses operate in the fragile economy of Tanzania, is unavoidably subjected to different risks. Some being;

5.1 Industry Risk

Building and Logistics industry are among the fastest growing industries in Tanzania. The industry hosts many players ranging from professionals, traders, manufacturing industries, contractors, local builders, Government, and other intermediaries. Due to these many

players, the industry is subjected to many risks specifically for the businesses selling building materials and dwell in transportation industry.

5.2 Growth Prospects

The industry is subjected to increased prices of hardware and building materials as well as Logistics from industries which hinders traders in growth as some fail to afford such high costs especially in January; this slows down a little bit in terms of overall industry growth. Nevertheless, the industry is projected to continue growing for many more years due to the fact that the Government is in running many big building projects in schools, health sector, and infrastructure. Growth of other business lines from various traders ensure rapid growth of the company. Also the population is ever increasing estimated to be around 62 million which automatically will keep on necessitating building of more infrastructures and movement of various products.

The main concern as the setback for the industry growth would be the declining economy as well as increasing taxes on the building materials and logistics input such as fuel and spare parts which would slow down the pace.

5.3 Competitive threats

Competition is unavoidable due concentration and new entrants. However the company is prepared to face it by continuing to offer high quality service and products and selling/offering at a relative reasonable price compared to other competitors.

5.4 Risk of Product Substitution

The risk of product substitution is higher as the industry is subjected to wide range of alternative products hence the company is likely to miss on the customers if not well convinced with the quality and/or price.

5.5 Barrier to entry

The nature of the industry is free market economy whereby there is no barrier to entry into the market. That is why; construction and Logistics sectors are highly volatile and competitive with every day receiving new entrants. The markets attract more players, especially for contractors and traders due to its high profitability and ever increasing demand for such services and products.

6.0 Economic risk

The major economic risk is that of the recession happening in either Tanzania or in any country this can affect our business but it is not in the proprietor's control.

6.1 Management Risk

The decision making by the management is the key for the effective running of the company. Improper financial management, unethical behaviors, ineffective or underperforming management may result into failure to meet entities/businesses' goals and thus slows down growth of the industry. TIGER GENERAL SUPPLY LIMITED has deployed as robust system whereby management is well following principles of good governance and has established check and balance mechanism for proper running of the company. Ethical code of conduct has never been set aside in daily operating activities of the company.

7.0 SOCIO-ECONOMIC FACTORS

The company is advantageous not only to its own but also the national economy and society in general.

7.1 Economic

- **Boost Economy:** the business plays an important role in the development of Tanzania economy through supplying hardware and building materials and offering of Logistics Services.
- **Revenue generation:** The Company shall not only generate revenue for itself but also to the nation through direct and indirect taxation.
- **The Company envision to pay both direct and indirect taxes amounting to TZS 150,000,000.00 (One Hundred and Fifty Million per Year).**
- **Strengthening related business:** This play an important role in supporting other related business Activities, since it is a continuing business. Tiger General Supply Limited is dealing in activities that are interdependent to other businesses in the ground.

7.2 Social

- **Employment:** Further the project provides useful employment both direct and indirect.
- **The Investment of the company intends to employ Local Tanzanians only. Currently the company employs 34 direct employees and 69 indirect employees. In three year time the**

company envision to employ 280-320 local Tanzanian Employees.

- Gender promotion is crucial ground aspect of employment policy of the company. Women are encouraged to apply vacancies announced by the company and promoted in managerial roles of the Company.

8.0 CONCLUSION AND RECOMMENDATION

Technical analysis of the business shows that is financially viable and economically justifiable.

- Managerial analysis also shows that the company's management is well experienced in the industry with sound characters, unquestionable credibility and goodwill.
- Socio-Economic analysis depicts that the business is of interest of the company and National economy at large.

It is, therefore, recommended that expansion of the business deserves favorable environment and Incentives offered under Tanzania Investment Center (TIC).

