

**HUIYANG COMPANY  
LIMITED**

**BUSINESS**

**PLANFOR**

**MANUFACTURING OF MATTRESS**

## 1.0 EXECUTIVE SUMMARY.

**HUIYANG COMPANY LIMITED** is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation 176550252 issued on 22 July 2024.

The proposed business plan of manufacturing of mattress located at Region Pwani, District Chalinze, Ward Vigwaza, Postal code 73734 plot B at vigwaza, Chalinze District.

The proposed new project shall cost USD 503,659 and creating new employment of 25 local people and foreign people 5.

## 1.1 LEGAL STATUS AND COMPANY BACK GROUND

**HUIYANG COMPANY LIMITED** bears the certificate No. 176550552 issued in by BRELA.

The shareholders of HUIYANG COMPANY LIMITED, the shareholders of this newly formed company are LEI LIYANG and LEI ZHIYUAN.

The company is owned by two shareholders, namely: -

Name	Number of Shares	Nationality
LEI LIYANG China, People's Republic of Neijiang, Sichuan, Neijiang, Shizhong District 641000,	51	China

<p>GANG LI</p> <p>China, People's Republic of Neijiang,Sichuan,Neijiang ,Shiz hong Distirict 641000,</p>	<p>49</p>	<p>China</p>
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## 1.2 LOCATION.

Region Pwani,Disctric Chalenze ,Ward Vigwaza ,Postal code 73734,plot no 18 ,block B at Vigwaza ,Chalenze District.

## 1.3 MISSION

Prompt and professionally high-quality service delivery to customers, aimed at ensuring that they realize the highest value for money, thereby increasing the market share and seizure of every available opportunity for the company's growth.

## 1.4 Core Values

Service provision with commitment, integrity and creativity while treating each customer as if they were the company's only customer

## 1.5 BANKERS

The company is currently maintaining bank account of the following bank.

NMB BANK

## **1.6 AUDITED REPORTS**

**HUIYANG COMPANY LIMITED** will maintain good financial reports which will be audited by reputable auditor firm.

## **2.0 BASIS OF THE BUSINESS PLAN**

A study based on rapid appraisal surveys was conducted prior to, and as the basis of prepare of the five year plan the production of hard cotton mattress and related products and related bedding.

The use and production of renewable resources ,support environmental protection ,sustainable development ,recycling plastic bottles recycled polyester fiber.

The first two years of annual output will produce 200,000 mattress, average monthly output of about 16,500.

## **2.1 Study Objectives:**

### **a) To Evaluate the Key Functional Objectives:**

**Comfort:** Examine how different materials (memory foam, innerspring, latex, hybrid) and designs (firmness levels, contouring) contribute to overall comfort and user satisfaction.

**Support:** Investigate the importance of spinal alignment and support structures, including zoned support systems and adjustable firmness.

**Durability:** Assess the impact of material quality, construction methods, and warranties on the longevity and durability of mattresses.

### **b) To Explore Material and Technology Innovations:**

Materials: Study various mattress materials (e.g., foam types, natural vs. synthetic fibers, gel-infused materials) and their impact on comfort, support, and durability.

Technology: Analyze advancements such as cooling technologies, motion isolation features, and smart mattresses that offer adjustable firmness or sleep tracking.

### **C) To Investigate Health and Safety Considerations:**

Allergen and Dust Mite Resistance: Explore how materials and design features contribute to a healthier sleep environment.

Safety Standards: Review compliance with safety regulations regarding flammability, toxicity, and certifications.

### **D) To Assess Economic Factors:**

Cost vs. Quality: Study how manufacturers balance cost and quality to provide value while maintaining profitability.

Market Trends: Examine how consumer preferences, economic conditions, and competition affect pricing and product offerings.

### **E) To Analyze Environmental Impact**

Sustainability: Explore the environmental implications of mattress manufacturing, including material sourcing, production processes, and end-of-life disposal.

Recycling and Reuse: Study initiatives for recycling old mattresses and the development of eco-friendly materials.

### **F) To Understand Manufacturing Processes and Efficiency:**

Production Techniques: Analyze various manufacturing methods (e.g., continuous pour foam, pocket spring assembly) and their impact on product quality and cost.

Quality Control: Investigate quality control measures and testing procedures used to ensure consistent product standards.

### **G) To Examine Market Dynamics and Consumer Preferences:**

Consumer Preferences: Study factors influencing mattress choice, including brand reputation, reviews, and trial periods.

Market Segmentation: Analyze different market segments (luxury vs. budget, traditional vs. modern) and how manufacturers tailor products to meet diverse needs.

## **2.2 Study Approach:**

- a) Participatory: Semi- structured interview and discussion were held with the Company's Directors, stakeholders in packaging works and related businesses
- b) Physical visits to the company's main business premises
- c) A brief market survey on manufacturing of mattress in Tanzania, Characteristics of demand and the general market structure of manufacturing mattress products, competition among suppliers and producers in the market.
- d) Conduction of profitability/viability test of the investment, using the appropriate financial projections for the initial period of five years proposed for the business operations.

### **3.0 THE PROJECT**

#### **3.1 Project Concept**

The project involves manufacturing of mattress;

#### **3.2 Project planned business project will entail the following main activities:**

**a )Market Research and Feasibility Studies:** Conducting thorough research to understand local consumer preferences, market demand, and competition. This includes analyzing price points, preferred materials, and regional differences in mattress needs.

**b) Material Sourcing and Supply Chain Management:** Identifying and securing reliable sources for raw materials such as foam, springs, and fabrics, either locally or internationally. Efficient logistics and supply chain management are crucial to ensure timely production and cost control.

**c)Facility Setup and Technology Investment:** Establishing a manufacturing facility with the necessary machinery and technology. This involves selecting appropriate equipment for foam cutting, mattress assembly, and quality testing, and investing in modern production techniques to enhance efficiency and product quality.

d) **Workforce Development:** Recruiting and training skilled personnel for various roles in the manufacturing process. This includes workers for assembly, quality control, and management, as well as ongoing training to keep up with technological advancements and best practices.

e) **Regulatory Compliance and Quality Assurance:** Ensuring that the manufacturing process adheres to local regulations and industry standards for safety and quality. This involves obtaining necessary certifications and implementing robust quality control measures throughout production.

F) **Marketing and Distribution:** Developing a marketing strategy to promote the mattresses, including branding, advertising, and setting up distribution channels. This may involve partnerships with local retailers, direct-to-consumer sales, and exploring online platforms.

G) **Community Engagement and Support:** Engaging with local communities and stakeholders to build relationships and support for the project. This can include job creation, local sourcing initiatives, and contributions to community development

### **3.3 Project Objectives**

#### **3.3.1 Development Objectives:**

**HUIYANG COMPANY LIMITED** aims at playing a significant role in the participation of the company in the efforts to maximize exploitation of the largely existing business potential in manufacturing industry.

#### **3.3.2 Immediate Objectives:**

- **Establishing Production Capacity:** Set up or optimize the manufacturing facility to ensure it can handle the desired production volume efficiently. This includes installing the necessary machinery, securing raw materials, and organizing the production workflow.
- **Developing Product Specifications:** Finalize the mattress design, including material choices, firmness levels, and construction techniques. Ensure that the product meets comfort, durability, and quality standards based on initial market research and consumer feedback.

- **Implementing Quality Control:** Develop and integrate quality control processes to monitor and maintain product consistency and performance. This includes setting up testing protocols for materials and finished products to ensure they meet established standards.

## **4.0 Overview of the manufacturing mattress in Tanzania**

### **4.1 The economy**

Tanzania is one of the fastest growing economies in Africa, thanks to the sustained economic reforms which are being undertaken since the late 1980's.

The country's economy has been constantly growing since mid- 1990 by average of 5.9%, and now growing at average of 7% which make Tanzania economy to be among the fastest growing economy in Africa and world at large. The overall vision is to transform the sector of the economy from the present level of per capital GDP of about US\$867 to medium developed country with an average per capital GDP of around US\$2,500 (National Development Vision 2025), the GDP from manufacturing 926,333TZSmillion.

#### **4.1.1 Manufacturing mattress industry**

The mattress manufacturing industry is a vital segment of the consumer goods market, dedicated to producing a range of products designed to enhance sleep quality and comfort. This industry encompasses various mattress types, including innerspring, memory foam, latex, and hybrid models, each offering different benefits to meet diverse consumer needs. The manufacturing process involves several key stages: design and prototyping, material sourcing, assembly, and quality control. Advanced technologies and innovative materials, such as cooling gels and eco-friendly components, drive product differentiation and cater to evolving consumer preferences. Despite facing challenges like raw material costs and regulatory compliance, the industry benefits from growing demand fueled by increasing awareness of sleep health and the expansion of e-commerce. By focusing on sustainability, technological advancements, and market expansion, the mattress manufacturing industry continues to evolve, contributing significantly to both consumer well-being and economic development.

**HUIYANG COMPANY LIMITED** is poised to exploit to the maximum, the anticipated development in this Sector for its own enhanced growth.

## **5.0 BUSINESS ENVIRONMENT ANALYSIS;**

### **5.1 Internal Approach;**

#### **5.1.1 Management:**

**HUIYANG COMPANY LIMITED** as a corporate entity is managed under the Board of Directors. Day to day management of its conducted under the company's Managing Director who will be assisted by directors, Managers, senior officers etc.

The Managing Director will be closely assisted by well qualified professionals in the building materials industry, industrial management and operations. The company managers, heads of departments and operational staff forth production machines will be recruited for their competence, experience and good track record in their respective fields and in previous employments.

### **5.2 External Environment:**

#### **5.2.1 The market:**

**HUIYANG COMPANY LIMITED** policy aim at two objectives:

- further penetration/ entrenchment into the market's main segments to increase and retain a larger market share
- Early investment cost recovery to enhance economic viability Of the company's business and expedite its growth.

The policy will be hinged on continual conduction of market surveys as a way of establishing current market situations and also as the means of enabling the company to develop marketing strategies which will facilitate achievement of set out sales goals, on monthly and annual basis. Surveys will enable the company to identify the potential market for its products and plan strategies for its penetration.

The mattress market situation in the country is characterized by about 70% of the demand being supplied by internal manufacturers, while the remaining 30% is supplied by imports.

Products Manufacturing industries which is estimated to consume between 80%-85% of mattress products in the local market, has been also growing over years.

The market surveys conducted during feasibility study for this project established that, demand for mattress in the country is growing with each passing year.

#### **5.2.1.1 Market potential**

The market potential for mattress manufacturing in Tanzania is promising, fueled by rapid urbanization, population growth, and rising incomes, which are increasing the demand for quality sleep products. As the middle class expands and living standards improve, consumers are investing more in comfort and health, creating a significant opportunity for local manufacturers. While the sector currently relies heavily on imported mattresses and raw materials, developing local production capabilities could reduce costs, enhance market competitiveness, and stimulate job creation. Additionally, the growing awareness of sleep health and the rise

of e-commerce offer avenues for diversifying product offerings and reaching broader audiences. With supportive government policies and investments in technology and local supply chains, Tanzania's mattress manufacturing industry is well-positioned for growth and regional expansion

#### **5.2.1.2 Competition:**

**HUIYANG COMPANY LIMITED** is expecting to face competition from existing mattress industries which controls a sizeable market share of products in Tanzania, the company plan to increase market share by investing in a new and bigger production.

### **6.0 PROJECT OPERATING COSTS**

In order to realize its intended objective, the project operating costs will vary based on total revenue.

### **7.0 REVENUE ASSUMPTIONS**

- For the purpose of this project all revenue will come from ~~production~~ at the factory
- The annual revenue to grow by different percentages depending on market demand annually

## **CONCLUSION AND RECOMMENDATION**

### **8.0 Conclusion**

The project is viable and profitable throughout the project period, after the foregoing economic and financial evaluation of the project; we strongly recommend that **HUIYANG COMPANY LIMITED** Board of Directors approval and accept the business proposal. The new project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable

**HUIYANG COMPANY LIMITED COST STRUCTURE**

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	100,000
Machinery & Equipment	100,000
Motor Vehicles	50,000
Furniture & Fixtures	50,000
Pre exp	100,000
Others	3,659
Working Capital	100,000
<b>TOTAL</b>	<b>503,659</b>

**HUIYANG COMPANY LIMITED**  
**HUIYANG SUMMARY FROM 2024 TO 2028**  
**PROJECTED SUMMARRY FOR 5 YEARS FROM 2024 - 2028**

	2024	2025	2026	2027	2028
<b>DETAILS</b>					
<b>CURRENCY</b>	USD	USD	USD	USD	USD
SALES	800,000	830,893	842,600	848,000	955,900
<b>TOTAL INFLOW</b>	800,000	830,893	842,600	848,000	955,900
<b>COST OF SALES</b>					
Opening Inventory	0	444,408	584,084	685,000	788,000
Add: Production Cost	697,549	490,538	408,700	408,980	409,900
Less: Closing Inventory	-444,408	-584,084	-695,000	-788,000	-806,958
	253,141	350,862	297,784	305,980	390,942
<b>GROSS PROFIT</b>	546,859	480,031	544,816	542,020	564,958
<b>OPERATING EXPENSES</b>					
Adminstration Expenses	190,130	100,267	105,013	107,000	107,900
Sales and Distribution Expenses	106,565	110,981	106,069	106,000	107,000
Finance Cost	50,510	50,130	50,227	50,112	50,014
Depreciation Expense	20,000	20,160	20,127	19,102	19,484
-	0	0	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	367,205	281,538	281,436	282,214	284,398
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<b>PROFIT FOR THE YEAR</b>	179,654	198,493	263,380	259,806	280,560

**HUIYANG COMPANY LIMITED**  
**FINANCIAL POSITION FROM 2024 TO 2028**  
**PROJECTED SUMMARY OF FINANCIAL STATEMENT FOR 5 YEARS FROM 2024 - 2028**

<b>CURRENCY</b>	<b>2024 USD</b>	<b>2025 USD</b>	<b>2026 USD</b>	<b>2027 USD</b>	<b>2028 USD</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
PPE	200,000	200,600	200,740	200,765	200,768
<b>TOTAL NON-CURRENT ASSET</b>	<b>200,000</b>	<b>200,600</b>	<b>200,740</b>	<b>200,765</b>	<b>200,768</b>
<b>CURRENT ASSET</b>					
Inventory	444,407	584,084	695,000	788,000	806,958
Trade Receivables	200,000	200,100	200,114	200,154	200,174
Working Capital	100,000	100,000	100,000	200,000	200,000
Cash and Cash Equivalent	100,600	100,700	100,832	100,835	100,839
<b>TOTAL CURRENT ASSET</b>	<b>845,007</b>	<b>984,884</b>	<b>1,095,946</b>	<b>1,288,989</b>	<b>1,307,971</b>
<b>TOTAL ASSETS</b>	<b>1,045,007</b>	<b>1,185,484</b>	<b>1,296,686</b>	<b>1,489,754</b>	<b>1,508,739</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share Capital	111,155	111,155	111,155	111,155	111,155
Retained Earnings	180,133	180,300	180,526	180,500	180,900
<b>TOTAL EQUITY</b>	<b>291,288</b>	<b>291,455</b>	<b>291,681</b>	<b>291,655</b>	<b>292,055</b>
<b>LIABILITIES</b>					
Trade Payables	590,180	699,574	799,009	809,990	809,946
Other Payables	163,539	194,455	205,996	388,109	406,738
<b>TOTAL LIABILITIES</b>	<b>753,719</b>	<b>894,029</b>	<b>1,005,005</b>	<b>1,198,099</b>	<b>1,216,684</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,045,007</b>	<b>1,185,484</b>	<b>1,296,686</b>	<b>1,489,754</b>	<b>1,508,739</b>

