

BUSINESS PLAN
FOR
MPYA- MJINI COMPANY
LIMITED

Manufacture of Shoes

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Contact

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This business plan has been constructed in order to inform potentially interested parties of the opportunities presently available through an investment in manufacturing of shoes in Dar es Salaam, Tanzania and will explore the principal plans to pursue this opportunity. This document does not constitute an offer to sell, or a solicitation of an offer to purchase.

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1. Mission Statement

We are dedicated to providing our environmentally conscious consumer with eco-friendly, high quality sandals and shoes. Our commitment to creating comfortable, recycled sandals and shoes reduces waste and lessens the impact to our environment.

2. Vision Statement

Our vision for Mpya-Mjini Company Limited is to be a leader in high quality, environmentally friendly footwear and to provide great customer service so we can create a lasting relationship with our customers.

3. Company Value

The values that Mpya-Mjini Company Limited's Sandals and Shoes strives to uphold are respect, time management and family responsibility. We provide outstanding service and unique products that cannot be found within Tanzania. We strive for excellence, no matter how big or small relevant problems are. Determination and commitment are two very important factors that reflect Mpya-Mjini Company Limited Sandals and Shoes image.

4. Company Summary

Mpya-Mjini Company Limited is a manufacturer and wholesaler of sandals and shoes for both men and women. The company uses innovative ways to design, manufacture, sell, and attract consumers to purchase sandals and shoes.

5. Company Ownership

The company is full owned by foreign investors from China, who have bring a Chinese technology of manufacturing sandals and shoes.

6. Market Analysis Summary

6.1. Market Segmentation

6.1.1. Demographic

Age: 4 - 80

Marital Status: All

Gender: Male and Female

Income: All Income levels

Occupation: All

Ethnicity: All

Nationality: Tanzanian, and all nationalities of neighboring countries

6.1.2. Psychographic Segmentation

Activities: Dinners, entertainment such as plays, working out, golfing, nightlife, travel, shopping, etc.

Attitudes: They like to spend time with their kids, like to entertain, like to have fun, etc.

Value: Good quality, environmental awareness

7. Environmental Analysis (SWOT)

7.1. Industry Analysis

The industry our business operates in is manufacturing, and wholesale of Sandals and Shoes. According to International Trade Centre (2018), Tanzania's footwear demand is estimated to 46.8 million pairs per annum. Production of footwear in Tanzania is limited, leaving a huge gap which to an extent is filled by imports, predominantly supplied from China, while import from other countries, including India, are marginal.

7.2. Competition

We face direct competition from other manufacturers of similar products who have their factories in Tanzania.

There are also competition from small scale manufactures of shoes and sandals, although due to their limited production capacity their competition is not very strong.

The large competition which is indirect comes from importation of similar products from mainly China, India, Singapore, and Malaysia.

We see strong sustainability of the business due to the large demand of the footwear in Tanzania.

7.3. Products/ Services

Hua Yang Gang In Company Limited provides beautiful sandals and shoes that are designed to help the environment while still having a fashionable approach. These shoes are made out of fully recyclable products including used shoes materials, water bottles and cans which are all broken down and melted to form a customized unique shoe.

We have positioned our product to be perceived by our target market as a creative and original shoe. Our target market has eclectic creative tastes, so we want to ensure our shoes are unique with original designs while still maintaining a high-quality product.

7.4. Competitive Edge

Our Company excels in several different areas showing immense differentiation from other competitors. Along with our attention to detail, we provide a feature that no other competitor provides.

Our shoes are for all people from age 4 to 80, and our prices are affordable to all income group.

8. Marketing Strategy

8.1. Pricing (and pricing strategies)

Mpya-Mjini Company Limited shoes prices have been set below competitor's average pricing because we want to be perceived as manufacturer of shoes for all income group.

8.2. Promotion

Our company has decided to use retailers to promote our products by ensure they are having enough stock, and the final price to our product is affordable to the all income group.

We usually use trade fairs such as the Mwalimu Nyerere International Trade Fair to show and explain our products to our customers.

9. Personnel Plan

Our company have hired 45 local employees and 3 foreigners' employees for the wholesale location, and the manufacturing location. Employees in our wholesale location are responsible for sell the shoes to sub wholesalers, and retailers, to organize the shoes, and maintain the store. Employees in the manufacturing location are responsible to manage all the manufacturing process.

10. Physical Locations and Facilities

Mpya-Mjini Company Limited is located at Plot No. 34, Block B, Kigamboni District, Dar es Salaam, Tanzania.

11. Financial Narrative

Showing the Cash flows and financial projection for Mpya-Mjini Company Limited

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Flows					
Equity/Capital		1,000,000,000			
Revenue	1,100,000,000	1,375,000,000	1,409,750,000	1,762,187,500	2,202,734,375
Total Cash Inflows	1,100,000,000	2,375,000,000	1,409,750,000	1,762,187,500	2,202,734,375
Direct Materials	770,000,000	962,500,000	986,825,000	1,233,531,250	1,541,914,063
Direct Labours	85,000,000	100,000,000	118,000,000	139,600,000	165,520,000
Expenses					
Overheads	45,000,000	51,600,000	91,200,000	138,720,000	195,744,000
Machines acquisition		980,000,000			
Depreciation					
Total Cash Outflows	900,000,000	2,094,100,000	1,196,025,000	1,511,851,250	1,903,178,063
Opening cash					
Cum.(deficity)Excess Cash flows	200,000,000	280,900,000	213,725,000	250,336,250	299,556,313
Opening cash	10,500,000	210,500,000	491,400,000	705,125,000	955,461,250
Ending cash	210,500,000	491,400,000	705,125,000	955,461,250	1,255,017,563

11.1. Basis and Presumptions

This business plan has been drawn on the basis of following presumptions

- a) Cost of raw materials will remain constant
- b) No major changes on the market size
- c) No changes on the legal and political factors
- d) No significant changes on the exchange rates
- e) No major changes on the business environment
- f) Full functioning of production machines and equipment
- g) Excellent relationship between employer and employees