

BUSINESS PLAN
WEALTH IN MANUFACTURING OF FABRICATED METAL
NAILS, FENCING WIRE, WIRE MESH.
PRODUCTS:
BUSINESS STRATEGY & DEVELOPMENT PLAN

KAMAKA-IT SOLUTION LTD

I. Primary Aim

KAMAKA-IT SOLUTION LTD is a company focusing mainly on importing and manufacturing of nails, fencing wire and wire mesh. We are striving to distribute products that will meet international standards and be distributed and recognized in and out of Tanzania, as the leading go to products.

2. Strategic Objectives

Our strategy at blue tree as a company is to always ensure that our customers receive the best product, and that meets or exceed their expectations. To achieve this, we have a number of metrics that we use to measure our success, below are some of the metrics;

- a. Customer satisfaction: A happy customer is the most important aspect of our business, as they will dictate the survival of our business. Apart from the primary objective of knowing how well we are serving our customers, this metric and its trending over time helps in identifying the functions or products that need the most attention, hence helping us improve and becoming better.
- b. Employee Satisfaction: An unhappy workforce will ultimately cause a number of issues in trying to meet the company's goals. The measure of the mood of our workers will help provide guidance on how best to improve performance by focusing on areas that matter most to our staff.
- c. Productivity: As a company we want to measure our success based on our strategic goal for a particular time period by deciding the numerator and denominator for the output per unit (productivity). If our goal is the launch of a new product offering — measure Return on Investment (ROI). If our new business exceeds our sales and marketing expenses, then we know that we're on the path to success.
- d. Cash now: As a life blood of any business, ensuring that we have a good cash flow statement is very important, to ensure that we have enough cash to run the business — pay wages, pay supplies etc. As part of the

business knowing what clients to extend credit lines and for how long will be very essential.

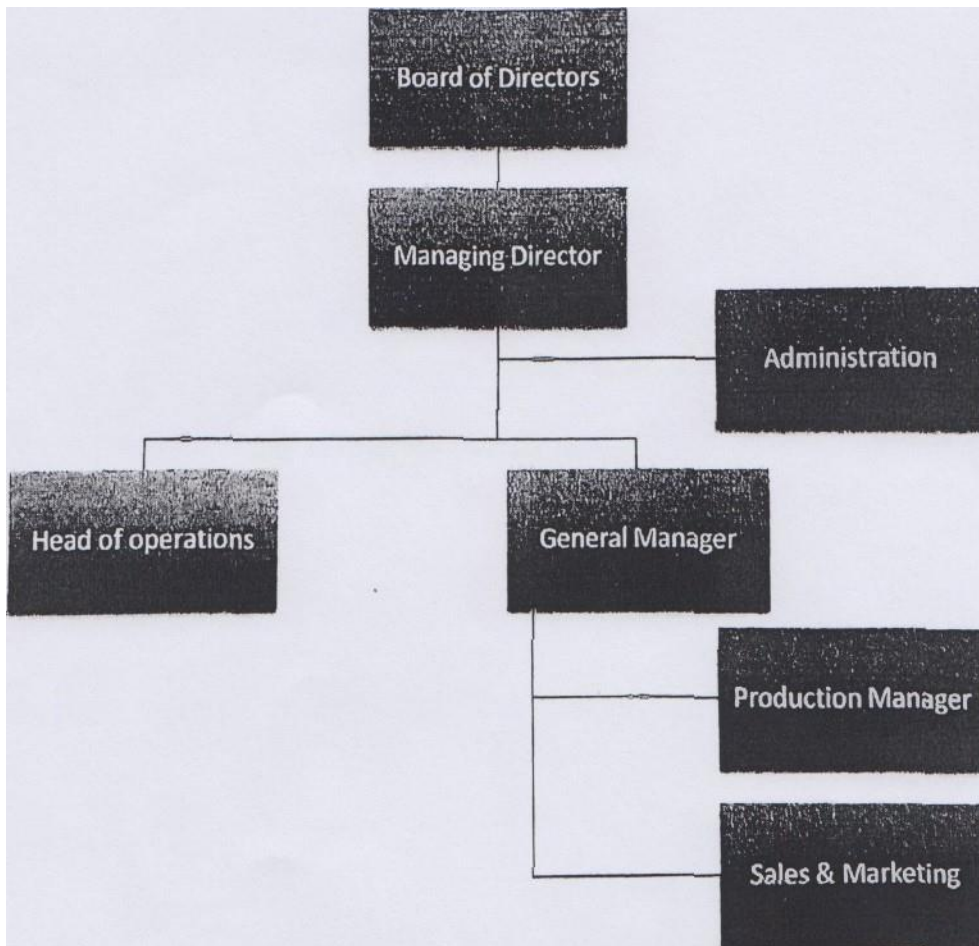
- e. Gross margins: This is like the mother of all business metrics and the best indicator of a business's health at least in our view. The higher the gross margin, the more the indication that we are on the right track every operational aspect. We do not have to wait for the quarterly or annual financial results to determine profitability, productivity and customer satisfaction. Managing and monitoring gross margin on a regular basis goes a long way in reducing unpleasant surprises in the long run and also in deciding critical strategic initiatives for pricing, investments and sales efforts.

Apart from the list of key metrics described above, other metrics that we use are as follows:

- Referrals from current clients
- Payment failures
- Growth
- Progress
- Client preference changes
- Repeat clients

3. Organization Strategy

Organizational Chart



The Different roles and departments will help as the company grows and become a larger corporation to run smoothly, efficiency and ultimately meet our overall object. Some of the reasons of the different routes area follow:

- Enable the clear identification of the required human resources, and specialties
- Ease management of responsibilities and activities
- Reduce room for errors by assigning tasks to qualified staff
- Easy to set strategic goals for particular functions or areas in the company

4. Management Strategy

What will your management checklist comprise of?

By having the right attitude and clear communication between the management and staff, and having regular performance appraisals, monitoring and reviews,

standards and performance indicators, and have set evaluation methods, we believe we will be able to capture problems and opportunities as they arise and ultimately deal with them or adjust our strategies appropriately to take advantage of the opportunities.

Risks affecting our business, the level of impact, and steps that we will take to reduce them.

Risks	Description	Level	How to reduce Risks
Strategic	<ul style="list-style-type: none"> • Change in Consumer preferences 	Low	<ul style="list-style-type: none"> • Have close relationship with customers and have appropriate feedback tools to stay informed
Compliance	<ul style="list-style-type: none"> • Change in legislation, rules and regulation • Additional checks and compliance issues to abide with to continue doing business. 	Medium	<ul style="list-style-type: none"> • Stay informed on regulations and certification requirements • Assign a person to specifically deal with compliance issues
Financial	<ul style="list-style-type: none"> • Cash flow issues • Loan management • For international business, taking account of foreign exchange rates • Taxes 	High	<ul style="list-style-type: none"> • Get financial advice from a certified financial adviser / Accountant • Employ Accountant
Operational	<ul style="list-style-type: none"> • Transportation breakdown, failure of suppliers to deliver production ingredients 	Medium	
Reputation	<ul style="list-style-type: none"> • Product failure • Copy cats with lower standard products • Negative publicity 	Medium	

5. People Strategy

Our company aims to ensure employees are happy and motivated to fulfill their responsibilities by implementing the following techniques:

- a. Communication: Open communication is most employees' priority. We aim to find out what interests them and what doesn't. Speaking with an employee frequently shows that we care about them in more ways than simply wanting them to keep up with productivity.
- b. Ensure Employees understand the company goals/vision: Having employees harness self-direction in pursuit of common goals rather than forcing people to meet goals they don't understand or share.
- c. Creating a positive working environment: Since most of the workers will be spending most of their hours in a working environment, we will ensure to create a workplace that will encourage information and knowledge with team leaders and managers.
- d. Recognition and Rewards: We aim to have a built - in reward programs for our employees, either by having an employee of the week, or month and giving them rewards in front of his/her colleagues to remind employees that they are appreciated and help them meet their long-term goals
- e. Keeping employees informed: We will strive to always keep our employees informed on what the company is doing and the direction its' taking.
- f. Training: create an ongoing training program that can help fill the gap between lack of skills and better productivity after training needs are assessed.

6. Marketing

At the moment most of our customers are small companies, who do manufacture at a small scale. Our long-term goal is to cater for large manufacturing companies as our main clients as this will reduce the distribution cost and increase sales volumes.

1. Customer retention strategies

- a. Never get complacent with first sale, and strive to get the customer to return for more and more product. 'Sell and then sell again'
- b. Frequent communication: To avoid losing customers by building relationships and keeping in touch by sending seasonal greeting cards, calendars, t-shirts, SMS, or informing them of special offers
- c. By providing impeccable customer service to have our customers pass on the experience to others.
- d. Ensure Product and service integrity: To ensure we produce products that meet/ exceed our customer's expectations. In terms of taste, package innovation and creativity, quality, reliability and serviceability,

- e. Create a system to capture customer feedback
- f. Provide Questionnaires and Surveys

2. Customer Attraction strategies

- a. By Identifying our ideal customer
- b. Using repeating customers as ambassador to testify on the quality and effectiveness of our products.
- c. Advertise
- d. Approach and provide free samples of our products in trade fairs, or festivals.

Our competitors

With the Tanzanian government goal to support and transform the country to a more industrial based economy, more and more people are venturing into entrepreneurship, with the majority of them focusing on production/manufacturing of equipment.

Our Product

We have different products which are essential at different construction sites like nails, fencing wire and wire mesh.

Sales strategies

To ensure that we can increase sales to our current and future costumers we have come up with a number of strategies that we think if applied, can make a great impact in increasing sales.

- Defining the right way of assembling our products so that our customers will get by can have access to them easily.
- Being creative and innovative in our molding process of the tools.
- Approach wholesalers of our products and be able to know the mining equipment/tools which are in trend.
- Partner with other companies to create distribution of wealth in the mining sector.

7. System Strategy

Hard and software systems that will be put in place to increase business efficiency.

8. Finance and Resource Management

Our expected monthly cash flow for the first year is between 10,000,000 TSHS to 15,000,000 TSHS per month, with a breakeven point of 30,000,000 TSHS per month. For the next three years we project that our Income will start to increase, especially in the second and third year as we gradually reduce the distribution and equipment costs. The first year and first quarter of the second year we to reinvest most of our profits into expanding our business (buying equipment paying for a permanent working space) and searching for markets.

What are your total financial needs?

What are your funding sources?

Since KAMAKA-IT SOLUTION LTD a family business it is basically run by savings of the founding directors.

9. Total Investment cost

The project developer estimates that the project will be as follows:
KAMAKA-IT SOLUTION LTD COST STRUCTURE:

PARTICULARS	TSHS
LAND AND BUILDINGS	1,000,000,000
BUILDING MATERIALS	1,000,000,000
MOTOR VEHICLES	85,000,000
FURNITURE & FIXTURES	25,000,000
PRE EXP	25,000,000
OTHERS	25,000,000
WORKING CAPITAL	25,000,000
TOTAL	2,185,000,000

10. FINANCIAL ASPECTS FOR THE PROJECT

10.1 Projected profit and loss statement

The Income and expenditure statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits shall grow from 100,000,000 TSHS in the first year to 1,000,000,000 TSHS in the fifth year.

	1	2	3	4	5
Revenue	99,190.00	109,109.00	120,109.00	168,027.86	235,239.00
Operating Expenses	51,578.80	56,736.68	62,410.35	58,809.75	82,333.65
Profit before depreciation interest	47,611.20	52,372.32	57,609.55	109,218.11	152,905.35
Depreciation	70,550.00	70,550.00	70,550.00	70,550.00	70,550.00
Net profit	22,938.80	18,177.68	12,940.45	38,668.11	82,355.35
Tax (30%)				11,600.43	24,706.61
Profit after Tax	22,938.80	18,177.68	12,940.45	27,067.68	57,648.75
Accumulated profit	25,914.00	44,091.68	57,032.13	29,964.45	57,684.30

10.2 PROJECTED CASH FLOW

This is shown in the financial statements. The project has a positive end of year cash flow from year, i.e. 100,000,000 TSHS of operation to the 5th year i.e. 1,000,000,000 TSHS

KAMAKA-IT SOLUTION LTD PROJECTED CASH FLOW USD (PROJECT PAYBACK PERIOD)

	-	1	2	3	4	5
SOURCES						
Profit before interest and depreciation	-	47,611	52,372	57,609	109,218	152,905

Equity	673,000	-	-	-	-	-
Total sources	673,000	47,611	52,372	57,609	109,218	152,905
Applications						
Capital expenditure	638,000	-	-	-	-	-
Working capital & others	35,000	35,000	35,000	35,000	35,000	35,000
Cash		12,611	17,372	22,609	62,618	93,199
Tax	-	-	-	-	11,600.43	24,706.61
Sub total	673,000	47,611	52,372	57,609	109,218	152,905
Total applications	673,000	47,611	52,372	57,609	109,218	152,905
Accumulated cash		12,611	29,983	52,592	115,210	208,409
Necessary working capital	35,000	35,000	35,000	35,000	35,000	35,000

11. PROJECT IMPLEMENTATION SCHEDULE

It is expected that the project will take 15 months to implement as shown below:

	ACTIVITY	PERIOD
1.	Processing TIN number and business license	-
2.	Fund Mobilization	-
3.	Arrival of hardware and equipment	January 2023
4.	Trial operations	May 2023
5.	Commercial operations	June 2023

12.ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz

(i) Employment Opportunities

Employment and poverty reduction are among the major concern of the central and local government authorities, it is gratifying to note that KAMAKA-IT SOLUTION LTD is going to provide employment of 200 people. This is a significant contribution coming from investors.

(ii) Revenue to the Government

The project is expected to pay a substantial annual amount in the form of corporate tax and other taxes and levies.

(iii) Foreign Exchange earning

Since the projects clients are mostly towards tourists, the project will thus earn foreign currency for the United Republic of Tanzania.

13.CONCLUSION AND RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend: that this project be implement and be given all the support required by all the concerned Government ministries and agencies, including, Tanzania Revenue Authority etc. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.