



# TANFROZ LTD

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*Business Plan*



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# 1. EXECUTIVE SUMMARY

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## **Background**

In recent years there have been a great deal of focus on preserving the quality and integrity of temperature sensitive products, such as food and vegetables. This is due to the increasing global demand for these products and the need to ensure their safety and efficacy throughout the supply chain. As a result, various technologies and practices have been developed to monitor and maintain the required temperature conditions during processing and storage. These advancements have not only improved product quality but also reduced waste and minimized the risk of spoilage or contamination.

One such technology is the use of temperature-controlled warehouses, which are equipped with specialized cooling systems to maintain the desired temperature range. These facilities are designed to accommodate different types of sensitive products and can be customized according to specific requirements. Additionally, outsourcing processing and storage needs to specialized providers allows businesses to focus on their core competencies while ensuring that their products are handled with utmost care and precision. This not only saves time and resources but also provides peace of mind knowing that the products are in safe hands.

As a result, our Company, Tanfroz Limited, has set up a Multifunctional Technical Cold Store the first of its kind in Tanzania. Our Multifunctional Technical Cold Store is equipped with state-of-the-art facilities and advanced temperature control systems to ensure the highest quality storage conditions for a wide range of products. Furthermore, our team of experienced professionals is dedicated to providing personalized and efficient services, ensuring that businesses can trust us to handle their products with the utmost care and precision.

## **The Company**

Our project, known as Tanfroz Limited, was established as a limited business on June 8, 2009, and has faced numerous obstacles to date in order to establish this Multipurpose Technical Cold Store located in the Zinga, Bagamoyo. That being said, we can now officially announce that we will be opening for business in the first quarter of 2024. Our main objective is to provide an optimal solution for business looking to outsource their processing and storage needs in and around Tanzania.

## **Project Sponsors**

# Tanfroz Limited

## *Business Plan*

Our Directors Mr. Luc Battel and Mr. Jean-Francois Pinck have been the driving force behind this project. They combined have vast knowledge in international trade, cold chain logistics and in initiating a multitude of projects in different countries. With their expertise, they have successfully implemented state-of-the-art technology and best practices in our storage facilities, making us a leader in the industry. Additionally, their strong network of global partners allows us to offer seamless storage and logistical solutions to our customers.

### **The Project**

Our limited business, Tanfroz Multifunctional Technical Cold Store in the Bagamoyo area, will serve as a primary hub from where we will provide a whole menu of third-party services such as:

- Slaughtering, cutting, deboning, processing of meat of different species
- Conditioning, processing of horticultural products
- Packing, freezing and storage of the aforementioned items.
- Bonded warehouse / transit shed facilitation.

### **Project Capital and further developments.**

The capital outlaid so far on the Multifunctional Technical Cold Store has been entirely equity-funded to the tune of around \$4 million. And further developments are being planned to set up a rendering plant and/or slaughterhouse. These additional developments will not only enhance our storage capabilities but also allow us to expand our services and cater to a wider range of clients in the food processing industry. By incorporating a rendering plant and/or slaughterhouse, we will be able to provide a complete end-to-end solution for our clients, ensuring efficient and sustainable production processes. This strategic expansion will further solidify our position as a leading player in the industry and enable us to meet the growing demands of the market.

## **2. BUSINESS DESCRIPTION**

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### **2.1 THE PROJECT**

Tanfroz Multifunctional Technical Cold Store will serve as a primary hub from where we will provide a whole menu of third-party services such as but not limited to:

- Slaughtering, cutting, deboning, processing of meat of different species
- Conditioning, processing of horticultural products
- Packing, freezing and storage of the aforementioned items.
- Bonded warehouse / transit shed facilitation.

#### **Meat Production**

Slaughtering, cutting, deboning, processing of meat of different species such as bovine, ovine and poultry will be seamlessly integrated into our operations for third parties. Additionally, the rendering plant will enable us to efficiently process animal by-products and convert them into valuable resources such as fats, proteins, and biofuels. This comprehensive approach will not only streamline production but also contribute to a more sustainable and environmentally friendly food processing industry. This will be our first priority, along with giving the meat products access to temperature-controlled storage facilities. By providing these storage choices, we can guarantee that our clients always receive fresh and high-quality meat products. In the food processing sector, this will further solidify our standing as a dependable and trustworthy provider.

#### **Horticulture Processing**

Conditioning, processing of horticultural products and implementing efficient packaging techniques will also be key aspects of our comprehensive approach for our customers. By carefully handling and processing horticultural products, we can maximize their shelf life and minimize waste. Additionally, our focus on efficient packaging techniques will not only reduce the environmental impact but also ensure that the products reach consumers in optimal condition. This holistic approach to food processing will set us apart from competitors and position us as a leader in sustainable and high-quality food production.

### **Temperature-Controlled Storage**

Packing, freezing and storage of meat and horticultural products will be done using state-of-the-art technology and equipment to maintain their freshness and nutritional value. Our advanced freezing techniques will lock in the flavors and textures of the products, ensuring that they retain their quality even after extended periods of storage. This commitment to excellence in packaging, freezing, and storage will guarantee that our customers receive products that are not only sustainable but also meet the highest standards of taste and quality.

### **Bonded Warehouse / Transit Shed**

Bonded warehouse and transit shed facilitation services will also be provided to ensure efficient and secure handling of the frozen and stored products. Our bonded warehouse and transit shed facilities will comply with all necessary regulations and protocols, allowing for seamless import and export processes. With our comprehensive storage solutions, customers can have peace of mind knowing that their products are in safe hands, ready to be delivered to their desired destinations in optimal condition. Such bonded service presents an essential component in realizing the Tanzanian objective to become a preferred transit hub for goods destined to its landlocked neighboring countries.

## **2.2 SITE LOCATION**

The head office of this project is located at Zinga Area, Bagamoyo District, Tanzania. The head office location, which is near Dar es Salaam provides convenient access to major transportation routes, ensuring smooth and timely distribution of goods. Additionally, our experienced team will be available to provide personalized assistance and support to customers throughout the entire processing and storage process.

This strategic location, combined with the upcoming port development of the Bagamoyo Port, will enable us to expand our reach and serve a larger customer base, both domestically and internationally. With our commitment to excellence in storage and transportation services, we are confident that our business will continue to thrive and meet the evolving needs of our valued customers.

### **2.3 MANPOWER**

The total manpower for this project is expected to initially be 90 people consisting of both skilled and non-skilled workers in various fields such as engineering, logistics, and operations. As the project progresses and becomes fully operational, we anticipate an increase in employment opportunities, benefiting the local community and contributing to economic growth. Additionally, we will prioritize training and development programs to ensure our workforce remains up-to-date with the latest industry standards and technologies.

### **2.4 DEVELOPMENT AND IMPLEMENTATION PROGRAMME**

Since we have concluded the construction of the Multifunctional Technical Cold Store, the implementation plan is to begin offering third-party services including meat production, horticulture processing and temperature-controlled storage.

In addition to this our implementation plan also includes partnering with local farmers and suppliers to source fresh produce for our processing facilities, promoting sustainable agriculture practices and supporting the local economy. Furthermore, we will actively seek collaborations with educational institutions and vocational training centers to provide internships and apprenticeships, fostering the development of skilled professionals in the industry.

Further developments have been planned subject to the availability of funding to setup state slaughterhouse and a rendering plant. These additional facilities will enable us to expand our operations and increase our processing capacity, allowing us to meet the growing demand for our products. Additionally, the state slaughterhouse and rendering plant will help us streamline our supply chain and ensure efficient and sustainable waste management practices.

## **3. MARKET ANALYSIS**

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### **Industry Type**

Our main focus will be on the food and horticultural industries. With increasing consumer demand for fresh and organic products, proper temperature control is crucial to preserving the taste, texture, and safety of perishable goods. Our solutions can assist food manufacturers and distributors in maintaining product quality and extending shelf life, ultimately enhancing customer satisfaction.

Potentially another industry that can greatly benefit from temperature controlled storage solutions is the pharmaceutical industry. Many medications and vaccines require specific temperature conditions to maintain their effectiveness and prevent spoilage. By offering reliable temperature control, we can help pharmaceutical companies ensure the quality and efficacy of their products throughout the supply chain.

### **Market Segmentation**

The market segments that we will primarily focus on for meat processing are large-scale meat producers and processors, as well as meat distributors and retailers. These segments require strict temperature control to prevent spoilage and maintain the freshness of their products.

Additionally, for horticulture processing are commercial growers and distributors of fruits, vegetables, and flowers. These segments also require precise temperature control to preserve the freshness and quality of their products. Our temperature controlled storage solutions can help them extend the shelf life of their horticultural products, reduce waste, and meet the demands of their customers for fresh and high-quality produce. This will ultimately lead to increased profitability and customer satisfaction in the horticulture industry.

### **SWOT Analysis**

We believe our major strength includes our expertise in temperature control technology, our wide range of storage solutions tailored specifically for food products, horticultural products, and our strong relationships with commercial growers and distributors. Additionally, our ability to provide customized solutions and ongoing support sets us apart from competitors. These strengths position us well to meet the unique needs of these industries and capitalize on the growing demand for fresh and high-quality produce.

## Tanfroz Limited

### *Business Plan*

There may be potential challenges in scaling up production to meet increasing demand, as well as the need for ongoing research and development to stay ahead of emerging technologies and industry trends. However, by leveraging our existing expertise and partnerships, we are confident in our ability to overcome these weaknesses and continue to drive innovation and customer satisfaction in our target industries.

The major opportunities that we can foresee for this project include the potential for expansion into new markets including the pharmaceutical industry and the ability to diversify product offerings to meet changing consumer preferences. Additionally, there is the opportunity to collaborate with other industries, such as technology and sustainability, to further enhance our products and processes.

Threats that this project may face include potential competition from other like-minded companies and the risk of market saturation in the industry. However, by staying ahead of trends and continuously improving our products and services, we can mitigate these threats and maintain a competitive edge. Additionally, external factors such as changes in government regulations or economic downturns could pose challenges, but our strong financial position and adaptable business model will help us navigate through any potential obstacles.

## 4. OPERATION PLAN

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### **Temperature-Controlled Storage**

The multifunctional technical store with a storage capacity of an estimated 5000 metric tonnes is functional and ready for operations.

The main plan with regards to temperature-controlled storage includes:

1. Implementing strict temperature monitoring and control systems to ensure the integrity of stored goods.
2. We will also prioritize regular maintenance and calibration of storage equipment to prevent any disruptions in the cold chain. A competent maintenance department has been established to cater to this.
3. Additionally, we will establish robust inventory management practices to minimize waste and ensure efficient utilization of storage space. We have made significant investments in inventory management software's that should strengthen this.

### **Meat and Horticulture Processing**

We have constructed a chicken slaughter line attached to the cold store to initially start off slaughter operations for broiler chicken.

The operating plan for meat and horticulture processing involves:

1. Implementing efficient production processes, ensuring high-quality standards, and maintaining a strong supply chain. This includes investing in modern equipment and technology to optimize productivity and reduce costs.
2. Additionally, we will focus on building strong relationships with suppliers and customers to ensure a steady flow of raw materials and market demand.
3. By continuously monitoring market trends and consumer preferences, we can make informed decisions regarding product development and marketing strategies to stay competitive in the industry.

## **5. MARKETING AND SALES PLAN**

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Our focus will be on targeting key customer segments and effectively communicating the unique benefits of our temperature-controlled storage solutions.

We will leverage digital marketing channels and industry partnerships to increase brand visibility and generate leads. Furthermore, we will conduct market research to identify emerging trends and customer preferences, allowing us to tailor our marketing efforts accordingly.

By consistently monitoring and analyzing market data, we can continuously refine our strategies to maximize sales growth and maintain a competitive edge in the industry.

## 6. FINANCIAL PLAN

In terms of our financial plan, we will carefully allocate resources to ensure a strong return on investment. This includes budgeting for marketing campaigns, hiring skilled professionals to manage our digital marketing efforts, and investing in technology that enhances our storage solutions. Additionally, we will regularly review our financial performance and make adjustments as needed to optimize profitability and sustain long-term success.

### Capital Expenditures Incurred

So far equity investments made to this project are outlined as below these include the construction of the Multifunctional technical cold store, chicken slaughter line and office equipment.

START-UP CAPITAL EXPENDITURES	
Jan-24	
COST ITEMS	TOTAL COST
Land and Buildings	\$3,663,509
Farming and Meat Processing Equipment	\$1,645,166
Office and Furniture Equipment	\$22,093
<b>CAPITAL EXPENDITURES ALREADY INCURRED</b>	<b>\$5,330,768</b>

### Projected Start-up Costs

Projected start-up costs for our storage solutions business include expenses for purchasing equipment, leasing a facility, and hiring initial staff members. We will also allocate funds for marketing and advertising to generate awareness and attract customers. As we continue to grow, we will closely monitor our expenses and adjust our budget accordingly to maintain financial stability and support future expansion plans. Below is summary of projected start up costs.

## Services

### Business Plan

START-UP COSTS				
Tanfroz Limited			January 1, 2024	
COST ITEMS	MONTHS	COST/ MONTH	ONE-TIME COST	TOTAL COST
Advertising/Marketing	3	\$300	\$2,000	\$2,900
Employee Salaries*	12	\$1,500	\$1,500	\$19,500
Employee Payroll Taxes and Benefits	12	\$11,500	\$1,500	\$139,500
Rent/Lease Payments/Utilities	12	\$400	\$0	\$4,800
Postage/Shipping	1	\$25	\$25	\$50
Communication/Telephone	4	\$70	\$280	\$560
Computer Software		\$0	\$1,500	\$1,500
Insurance		\$0	\$7,500	\$7,500
Bank Service Charges		\$0	\$500	\$500
Supplies		\$0	\$10,000	\$10,000
Travel & Entertainment		\$0	\$0	\$0
Business Licenses/Permits/Fees		\$0	\$5,000	\$5,000
Professional Services - Legal, Accounting		\$0	\$1,500	\$1,500
Consultant(s)		\$0	\$0	\$0
Inventory		\$0	\$0	\$0
Cash-On-Hand (Working Capital)		\$0	\$1,000	\$1,000
Miscellaneous		\$0	\$2,000	\$2,000
<b>ESTIMATED START-UP BUDGET</b>				<b>\$196,310</b>

### Projected Profit and Loss

# Services

## Business Plan

As per the analysis below we project to be profitable in the 4<sup>th</sup> year of business.

START-UP PROFIT AND LOSS													January 1, 2024
REVENUE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL
Service Revenue	\$500,000	\$625,000	\$781,250	\$976,563	\$1,220,703	\$1,525,879	\$1,907,349	\$2,384,186	\$2,980,232	\$3,725,290	\$4,656,613	\$5,820,766	\$27,103,830
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$0	\$0	\$0	\$0	\$1,500
Net Sales	\$500,000	\$625,000	\$781,250	\$976,563	\$1,220,703	\$1,525,879	\$1,907,349	\$2,385,686	\$2,980,232	\$3,725,290	\$4,656,613	\$5,820,766	\$27,105,330
Cost of Sales*	\$200,000	\$250,000	\$312,500	\$390,625	\$488,281	\$610,352	\$762,939	\$954,274	\$1,192,093	\$1,490,116	\$1,862,645	\$2,328,306	\$10,842,132
Gross Profit	\$300,000	\$375,000	\$468,750	\$585,938	\$732,422	\$915,527	\$1,144,409	\$1,431,411	\$1,788,139	\$2,235,174	\$2,793,968	\$3,492,460	\$16,263,198
EXPENSES	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL
Salaries & Wages	\$259,000	\$297,850	\$342,528	\$393,907	\$452,993	\$520,942	\$599,083	\$688,945	\$792,287	\$911,130	\$1,047,799	\$1,204,969	\$7,511,432
Marketing/Advertising	\$4,800	\$5,280	\$5,400	\$5,400	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800	\$14,400	\$14,400	\$114,480
Sales Commissions	\$3,000	\$3,300	\$9,600	\$4,200	\$8,700	\$13,500	\$13,500	\$13,872	\$14,724	\$13,200	\$15,000	\$16,404	\$129,000
Rent	\$4,800	\$7,200	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$60,000
Utilities	\$150,000	\$151,500	\$153,015	\$154,545	\$156,091	\$157,652	\$159,228	\$160,820	\$162,429	\$164,053	\$165,693	\$167,350	\$1,902,375
Website Expenses	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,700	\$2,700	\$26,400
Internet/Phone	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$15,840
Insurance	\$1,980	\$1,980	\$1,980	\$1,980	\$1,980	\$1,980	\$1,980	\$1,980	\$1,980	\$1,980	\$1,980	\$1,980	\$23,760
Travel	\$1,200	\$0	\$0	\$3,000	\$0	\$0	\$0	\$0	\$8,100	\$9,600	\$0	\$0	\$21,900
Legal/Accounting	\$14,400	\$0	\$0	\$5,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$22,800
Office Supplies	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$444,100	\$472,030	\$522,243	\$578,152	\$640,283	\$714,593	\$794,311	\$886,137	\$1,000,039	\$1,120,483	\$1,255,193	\$1,418,424	\$9,845,987
Income Before Taxes	(\$144,100)	(\$97,030)	(\$53,493)	\$7,786	\$92,139	\$200,934	\$350,098	\$545,274	\$788,100	\$1,114,691	\$1,538,775	\$2,074,036	\$6,417,211
Income Tax Expense	(\$43,230)	(\$29,109)	(\$16,048)	\$2,336	\$27,642	\$60,280	\$105,030	\$163,582	\$236,430	\$334,407	\$461,632	\$622,211	\$1,925,163
<b>NET INCOME</b>	<b>(\$100,870)</b>	<b>(\$67,921)</b>	<b>(\$37,445)</b>	<b>\$5,450</b>	<b>\$64,497</b>	<b>\$140,654</b>	<b>\$245,069</b>	<b>\$381,692</b>	<b>\$551,670</b>	<b>\$780,284</b>	<b>\$1,077,142</b>	<b>\$1,451,825</b>	<b>\$4,492,048</b>