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# BUSINESS PLAN

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**MTEI EXPRESS COACH LIMITED**

*Drawn by,  
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P O Box 16651 – Arusha – Tanzania.*

## **1. EXECUTIVE SUMMARY**

The proposed business aims to acquire and increase its fleet. These fleets will be fully operational and utilized to generate employment opportunities for the surrounding community, as they are the primary stakeholders in the business. Additionally, the business intends to address environmental sustainability issues and contribute to the overall economic improvement of the Arusha communities.

## **2. DESCRIPTIONS OF THE BUSINESS**

The business name is MTEI EXPRESS COACH LIMITED, a private limited liability company, registered under the Laws of the United Republic of Tanzania with a certificate of incorporation no. 36004 dated the 29<sup>th</sup> day of March 1999. The company has obtained a certificate of registration for a tax identification number 100-792-699 on the 9<sup>th</sup> day of April 2001, engaging in the business of transportation. The company is owned by its co-founders, Nderasio Nderingo Mtei, Gerald Nderasio Mtei, Exaud Nderasio Mtei, Exaud Nderasio Mtei, Charles Nderasio Mtei, Albert Nderasio Mtei, James Nderasio Mtei, Aliangiringa Nderasio Mtei, each having experience in the transport and Logistics industry.

### **2.1 Vision**

The vision of MTEI EXPRESS COACH LIMITED is to consistently deliver higher-quality performance than any of its competitors in the industry. The essence of this project lies in the delivery of high-quality services. Experienced professionals are collaborating on this project to ensure top-notch services and management.

### **2.2 Mission**

The MTEI EXPRESS COACH LIMITED can ensure that it provides quality service with upgraded amenities and high-end services, delivered to meet or exceed client expectations, making them our best ambassadors.

## 2.3 Employees

### 2.3.1 The employees' structure will be as follow

| <b>Tittle</b>     | <b>Key responsibilities</b>                 |
|-------------------|---|
| Operation Manager | Oversee all the activities                  |
| Staff Manager     | Manages all staff                           |
| Accountant        | Manages the books for day-to-day operations |
| Staff             | Handling day to day activities of transport |

### 2.3.2 EMPLOYEES DEVELOPMENT PLAN

The company is deeply committed to the development and well-being of its employees. Our focus is on enhancing employees' performance and skills. As employees continue to work with MTEI EXPRESS COACH LIMITED, they will receive training to prepare them for higher positions within the company. Working in collaboration with experts will boost the skills and capabilities of local employees, positioning them for future roles.

### 2.3.3 PROSPECTIVE EMPLOYMENT OPPORTUNITIES

MTEI EXPRESS COACH LIMITED operates on the principle of a going concern. Consequently, we anticipate that our business operations will yield positive outcomes for the surrounding communities, either directly or indirectly. As the business continues to thrive, we plan to expand our operations by adding more fleets, creating additional employment opportunities for many. Moreover, the company stands to benefit from the expanded scale of operations

### 3. MARKETING SEGMENT

According to experience and market research, there is a high demand for transportation facilities in the region and the country as a whole. This high demand is attributed to road construction and an increase in economic activity. Therefore, the expansion and development of MTEI EXPRESS COACH LIMITED within Arusha and the entire country may provide a solution to the inadequate availability of transportation of clients and goods.

#### 3.1 Market analysis

##### 3.1.1 Customer

Intends to provide a service to a wide group of people. By looking at the market analysis, has defined the following groups as targeted segments:

After year 1, the customer base will consist of 60% from local Tanzanians, and 40% from East African Countries

##### 3.1.1.1 Competitive analysis

Market research indicates that existing transport companies engaging in the same business are either unable or do not provide the level of care offered by us. The success of the project can heavily depend on the advantages of other existing businesses and their uniqueness in terms of quality service, as well as the way they structure their customer services. Furthermore, the project's success can also depend significantly on different transport operators in Tanzania. MTEI EXPRESS COACH LIMITED stakeholders are determined to provide better services compared to other transport companies by incorporating more technology into their fleets.

##### 3.1.1.2 SWOT analysis

The S.W.O.T analysis provides an opportunity to examine the internal strengths and weakness of MTEI EXPRESS COACH LIMITED must address. It also allows examining the opportunities presented to MTEI EXPRESS COACH LIMITED as potential threats.

##### 3.1.1.3 Strength

- Knowledgeable and friendly staff.

The proposed owners of MTEI EXPRESS COACH LIMITED will go to great lengths to find individuals with a passion for their work. The current and future staff are expected to be

knowledgeable and eager to please. The company intends to hire and work with friendly and mature locals in the community who seek stable employment in an easygoing and comfortable workplace

- Clear vision of the market needs

Owners have years of experience running the transport business and know how to make the company run like a well-oiled machine. They know what it takes to build profits for an organization by taking advantage of revenue channels available, in addition to being creative about generating new streams.

#### **3.1.1.4 Weaknesses**

- Access to additional operating capital.
- Challenges of the seasonality of the business.

### **3.1.1.5 Opportunity**

- Increased demand of transportation due to change of logistic in transport sector
- Inadequate goods transport facility in the Country.

### **3.1.1.6 Threat**

- The absence of local importers and the limited availability of heavy-duty motor vehicle assembly in the country force the company to either import from other countries or wait for orders from a small number of assemblers.

## **3.2 Marketing strategy**

### **3.2.1 Process**

MTEI EXPRESS COACH LIMITED intends to provide its customers with fast service without any delays whenever necessary, thereby making customers rely on the facility.

### **3.2.2 Promotion**

Normally, MTEI EXPRESS COACH LIMITED uses promotion as a key marketing strategy to communicate with and reach the targeted audiences. This involves temporarily setting prices to attract customers, especially during intense competition in the market.

### **3.2.3 Product**

The products we intend to offer customers include unlimited transportation of goods. This means that depending on the size of the goods, the company can negotiate and offer the service.

### **3.2.4 People**

At MTEI EXPRESS COACH LIMITED, individuals are categorized into three roles: marketing managers, decision-makers, and operational managers.

Marketing managers work on changing plans for products, customers, and geographic markets, managing the transition in the people portfolio needed to execute the new strategy.

Decision-makers are responsible for making decisions related to various approaches linked to business needs.

Additionally, operational managers supervise daily activities, while staff members perform these activities

### **3.2.5 Pricing**

Fair prices will be maintained to attract and retain customers for the company. Prices will be set in accordance with government regulations; the company will not set prices with the aim of maximizing profit at the expense of providing the proposed services and every effort will be made to ensure the uniqueness of the service. Additionally, pricing will be determined with reference to the average existing prices in the local markets

### **3.2.6 Distribution Channels**

Significant effort will be made to advertise the products to the customers and the rest of the stake holders. The organization will use all major means of communication, which are found in the country in order to make many people be aware about the provided services. Another means shall be used to advertise by making sure that the customers are given services at the maximum quality.

## **4 OPERATIONAL SEGMENT**

We have engaged professional transport experts who will actively participate in the process as we continue with our normal daily routine. For quality control of the services provided and enhanced security, the company has installed car tracking to monitor all motor vehicles during operations. The working environment for our employees will be conducive to ensuring they provide high-quality service. Activities are expected to be conducted with minimum costs and maximum supervision, including regular checks and maintenance during operations to ensure quality is maintained.

**DHARIWAL LOGISTICS COMPANY  
LIMITED.**

ORGANISATION HIERARCHY

Board of directors



Managers/ supervisors



Employees

**5 FINANCIAL PLAN**

**5.1 SOURCE AND USES OF FUND**

**5.1.1 Source**

Loan facility from ABC BANK to purchase moto vehicle.

**5.1.1 Application of funds**

| S/N | ITEM         | AMOUNT             |
|-----|--------------|--------------------|
| 1   | Vehicle      | 520,000,000        |
|     | <b>TOTAL</b> | <b>520,000,000</b> |

## 5.2 FINANCIAL PROJECTIONS

### 5.2.1 Cash Flow Projection

| CASH FLOW PROJECTIONS FOR 3 YEARS |                         |                         |                         |                         |                         |
|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| YEAR                              | 2023                    | 2024                    | 2025                    | 2026                    | 2027                    |
| Cash at beginning of the year     | -                       | 447,692,327.5<br>6      | 386,212,193.02          | 366,934,016             | 448,451,013.4           |
| <b><u>CASH INFLOWS</u></b>        |                         |                         |                         |                         |                         |
| <i>Equity</i>                     | 1,820,647,500           |                         |                         |                         |                         |
| <i>Loan</i>                       | -                       |                         |                         |                         |                         |
| cash sales                        | 0.00                    | 1,091,624,565.46        | 942,840,523.00          | 1,004,200,487           | 798,851,248             |
| trade receivables                 | -                       | 18,633,000.00           | 58,798,000.00           | 17,859,000.00           | 38,560,170.59           |
| <b>TOTAL CASH INFLOWS</b>         | <b>1,820,647,500.00</b> | <b>1,557,949,893.02</b> | <b>1,387,850,716.02</b> | <b>1,388,993,503.42</b> | <b>1,285,862,432.42</b> |
| <b><u>CASH OUTFLOWS</u></b>       |                         |                         |                         |                         |                         |
| purchase of Solar system          | 304,841,972.44          | 267,000,000             | 287,090,000.00          | 253,670,000.00          | 213,670,000             |
| tent expenses                     | 582,607,200.00          | 487,560,000             | 336,589,000.00          | 299,800,790.00          | 209,800,790             |
| Others                            | 267,028,300.00          | 198,700,000             | 178,760,000.00          | 168,594,000.00          | 108,594,000             |
| Finance costs                     | 218,477,700             | 218,477,700             | 218,477,700             | 218,477,700             | 218,477,700             |
| <b>TOTAL CASH OUTFLOWS</b>        | <b>1,372,955,172.44</b> | <b>1,171,737,700.00</b> | <b>1,020,916,700.00</b> | <b>940,542,490.00</b>   | <b>750,542,490.00</b>   |
| <b>Net Cash at the end</b>        | <b>447,692,327.56</b>   | <b>386,212,193.02</b>   | <b>366,934,016.02</b>   | <b>448,451,013.42</b>   | <b>535,319,942.42</b>   |

5.2.2 Projected Income statement

| <b>MTEIEXPRESS COACH LIMITED</b>                            |                         |  |                         |  |                         |  |                         |  |                         |  |
|---|-------------------------|--|-------------------------|--|-------------------------|--|-------------------------|--|-------------------------|--|
| <b>PROJECTED STATEMENT OF COMPREHENSIVE INCOME FOR 5YRS</b> |                         |  |                         |  |                         |  |                         |  |                         |  |
|   | Year 1                  |  | Year 2                  |  | Year 3                  |  | Year 5                  |  | Year 6                  |  |
|   | 2023                    |  | 2024                    |  | 2025                    |  | 2026                    |  | 2027                    |  |
|   | Tshs                    |  | Tshs                    |  | Tshs                    |  | Tshs                    |  | Tshs                    |  |
| Income  | 2,079,907,704.00        |  | 2,926,729,820.00        |  | 4,445,414,312.50        |  | 5,720,616,805.00        |  | 6,553,673,921.00        |  |
| Less: Cost of Sales   | 537,398,993.23          |  | 790,241,439.07          |  | 1,236,191,080.47        |  | 2,252,286,609.30        |  | 2,858,649,617.88        |  |
| <b>Gross Profit</b>   | <b>1,542,508,710.77</b> |  | <b>2,136,488,380.93</b> |  | <b>3,209,223,232.03</b> |  | <b>3,468,330,195.70</b> |  | <b>3,695,024,303.12</b> |  |
| Less: Operating expenses                                    |                         |  |                         |  |                         |  |                         |  |                         |  |
| camps expenses  | 297,762,577.62          |  | 567,297,676.19          |  | 981,698,846.41          |  | 941,228,877.18          |  | 932,613,904.09          |  |
| Depreciation charges  | 539,878,048.77          |  | 747,770,933.33          |  | 1,123,228,131.21        |  | 1,213,915,568.50        |  | 1,293,258,506.09        |  |
| <b>Operating Profit</b>                                     | <b>704,868,084.38</b>   |  | <b>821,419,771.42</b>   |  | <b>1,104,296,254.41</b> |  | <b>1,313,185,750.02</b> |  | <b>1,469,151,892.94</b> |  |
| less: Finance Cost  | 257,175,756.81          |  | 435,207,578.40          |  | 737,362,237.50          |  | 864,734,736.60          |  | 933,831,950.52          |  |
| <b>Net operating profit for the year</b>                    | <b>447,692,327.56</b>   |  | <b>386,212,193.02</b>   |  | <b>366,934,016.91</b>   |  | <b>448,451,013.42</b>   |  | <b>535,319,942.42</b>   |  |

## 5 RISK ASSESSMENT AND CONTINGENCY PLAN

### 5.1 Civic Unrest

Violent civilian action is uncommon in Tanzania and is primarily confined to its borders with neighboring, less stable countries. The minor risk is mitigated by armed traffic police, providing protection from potential carjackers

### 5.2 Disaster-fire

All VEHICLES are protected by firebreaks, providing fire extinguishers that can mitigate damage in case of a fire outbreak. Additionally, all motor vehicles have comprehensive insurance to cover compensation in the event of a loss caused by a fire outbreak.

### 5.3 Staff Loyalty and turnover

There has been an issue in many transport companies. The company shall pay extra bonuses monthly compared to other companies, as well as offering an employee give-back program where the company shall financially support community efforts in their working vicinity.



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**Managing Partner**