

PALO TANZANIA LIMITED

Business Plan

2024 – 2028

Drawn by
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Executive Summary

PALO TANZANIA LIMITED is a transport company established in 2022 with a vision to become a leading logistics and transportation service provider in Tanzania and the East African region. The company is committed to delivering efficient, reliable, and cost-effective transportation solutions. PALO TANZANIA LIMITED aims to expand its fleet by acquiring 25 trucks between the years 2024 and 2028, positioning itself for sustainable growth in the competitive market.

Company Description

Business Name: PALO TANZANIA LIMITED

Date of Establishment: 2022

Location: Mbinga, Ruvuma Region, Tanzania.

Mission:

To provide safe, reliable, and efficient transportation solutions, contributing to the economic development of Tanzania and beyond.

Vision:

To be the preferred logistics partner, known for excellence in service delivery and customer satisfaction.

Business Objectives

1. Fleet Expansion:

Acquire 100 trucks by the end of 2028 to meet the growing demand for transportation services.

2. Market Leadership:

Establish PALO TANZANIA LIMITED as a market leader in the East African transport industry.

3. Operational Efficiency:

Implement advanced technologies and efficient logistics management systems to enhance overall operational efficiency.

4. Customer Satisfaction:

Ensure a high level of customer satisfaction by delivering timely and reliable transportation services.

5. Sustainability:

Integrate environmentally friendly practices in the business operations and contribute to sustainable development.

Market Analysis

Industry Overview

The transportation and logistics industry in Tanzania is witnessing steady growth due to increased trade activities and economic development. PALO TANZANIA LIMITED aims to tap into this opportunity by providing high-quality transportation services.

Target Market

Our primary target market includes manufacturers, distributors, and retailers in Tanzania and neighboring East African countries. Additionally, we aim to cater to the agriculture and mining sectors, offering specialized transport solutions.

Competitive Analysis

PALO TANZANIA LIMITED faces competition from existing transport companies. Differentiating factors will include a modern fleet, advanced technology, and a commitment to customer satisfaction.

Services

PALO TANZANIA LIMITED provides the following services:

1. Freight Transportation:

Full truckload (FTL) and less-than-truckload (LTL) services.

2. Specialized Transport:

Tailored solutions for agricultural and mining equipment.

3. Logistics Solutions:

Warehousing, distribution, and supply chain management.

Marketing and Sales Strategy

1. Brand Building:

Invest in branding and marketing campaigns to create awareness and build a strong brand image.

2. Customer Relationship Management (CRM):

Implement CRM systems to track customer preferences and provide personalized services.

3. Online Presence:

Develop a user-friendly website, leveraging social media for marketing and customer engagement.

Operational Plan

Fleet Expansion

PALO TANZANIA LIMITED plans to acquire 100 trucks between 2024 and 2028. The selection will be based on fuel efficiency, load capacity, and compliance with environmental standards.

Technology Integration

Invest in advanced fleet management systems, GPS tracking, and real-time monitoring to ensure efficient operations, timely deliveries, and effective route planning.

Staffing

Recruit and train skilled drivers and support staff. Implement ongoing training programs to enhance skills and ensure compliance with safety regulations.

Financial Plan

Funding

The acquisition of the additional trucks will be funded through a combination of bank loans, equity, and potentially government grants or incentives for sustainable transport initiatives.

Revenue Streams

1. **Freight Charges:**

Based on distance, weight, and type of cargo.

2. **Specialized Transport Fees:**

Higher charges for specialized equipment transport.

3. **Logistics Services:**

Warehousing and distribution services with associated fees.

Cost Structure

1. **Truck Acquisition and Maintenance:**

Purchase cost, insurance, and regular maintenance.

2. **Fuel and Operating Costs:**

Fuel, tolls, permits, and other operational expenses.

3. **Technology and Infrastructure:**

Investment in IT systems, tracking technologies, and facility infrastructure.

Financial Projections

Detailed financial projections for the next five years, including income statements, balance sheets, and cash flow statements, will be provided in the attached financial documents.

PALO TANZANIA LIMITED

CASH FORECAST – 2024 TO 2028

CURRENCY = USD

PARTICULARS	2024	2025	2026	2027	2028
A: INCOME - INFLOW					
Hiring of Lorries Average per Lorry 470 per day – 100 Lorries	2,538,000	6,768,000	10,152,000	13,536,000	16,920,000
Sales of used tyres		180	460	560	860
Directors Investment	500,000	-	-	-	-
Bank Loan/ Grant	1,000,000				
TOTAL INCOME	4,038,000	6,768,180	10,152,460	13,536,560	16,920,860
B: EXPENDITURE - OUTFLOW					
1) Capital					
Land- Lease	25,390				
Building Development	98,000				
Lorries plus trailers 100 @ 22,000	330,000	550,000	440,000	440,000	440,000
Tyres LingLong tyres @ 350 each lorry wears 22 tyres	115,500	192,500	154,000	154,000	154,000
Directors Cars Two each @ 92,000	92,000	92,000			
Furniture & Office Equipment	1,523	1,523			
Workshop Equipment/Tools	2500	1,400	1,000	1,000	1,000
TOTAL CAPITAL	664,913	837,423	595,000	595,000	595,000
2) Maintenance Costs					
Spare parts @ 425	76,500	127,500	306,000	408,000	510,000
Fuel @ 3320 per Lorry (2 trips) per month	1,195,200	3,187,200	4,780,800	6,374,400	7,968,000
Lubricants @ 160	28,800	76,800	115,200	153,600	192,000
TOTAL MAINTENANCE COSTS	1,300,500	3,391,500	5,202,000	6,936,000	8,670,000
3) Operating Costs					
Salaries	225,990	602,640	903,960	1,205,280	1,506,600
Communication / Telephone	610	610	610	610	610
Insurance	43,000	43,000	43,000	43,000	43,000
Audit Fees	2,300	2,300	2,300	2,300	2,300
TOTAL OPERATING COSTS	271,900	648,550	949,870	1,251,190	1,552,510
4) PROFIT AND LOSS	1,800,687	1,890,707	3,405,590	4,754,370	6,103,350

Risk Analysis

Identify potential risks such as economic downturns, fuel price fluctuations, and regulatory changes. Develop contingency plans to mitigate these risks and ensure business continuity.

Conclusion

PALO TANZANIA LIMITED's strategic plan focuses on fleet expansion, technological innovation, and customer satisfaction. With a commitment to excellence, the company aims to be at the forefront of the East African transport industry, providing reliable and sustainable solutions for the evolving market.