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BUSINESS PLAN

FOR

**MIDEA IMPORT EXPORT ELECTRONIC
COMPANY LIMITED**

1.0.0 INTRODUCTION

The objective of this plan is to provide some financial and economic justifications to M/s **MIDEA IMPORT EXPORT ELECTRONIC COMPANY LIMITED** business to take yet another expansion program in his business operations. The plan also acts as a defense tool from the investor's point of view to investors as the proprietor intends to use bank credit facilities to boost the working capital. The success of the business will very much depend on the investor's entrepreneurial traits in bringing about proper utilization of the financial resources secured from the bank as well as committing the physical and human resources to the project. All marketing (location), economic, financial aspects have been considered and some supporting financial scheduled are attached herewith.

The business is a proprietorship registered in Dar es Salaam.

2.0.0 THE BUSINESS BACKGROUND

MIDEA IMPORT EXPORT ELECTRONIC COMPANY LIMITED commenced business in 2022 aiming at penetrating into electric and electrical installations suppliers and dealerships. The company targets major contractors and national procurement. To achieve the same the company has managed to win partnerships with NZURI STORE, CLEINZ INVESTMENT, and is currently registering for NEST, a government procurement portal.

3.0.1 BUSINESS LOCATION

The business is located at kariakoo, kitunda, kivule and azikiwe street, ilala Dar es salaam. The company targets formal businesses in general supply and dealership. Meanwhile it has a permanent trading center at kivule where most storages should be preserved.

4.0.0 PROPOSED INVESTMENT PLAN VS MARKETING STRATEGIES

4.0.1 Business Expansion

- (i) Contraction is one of the fastest growing industry, the company envisions supply of electric items from cables to accessories like generators,

main switches, transformers and finally to officially become an authorized agent of main suppliers and internal exporters.

- (ii) Growing relationship with suppliers and manufacturers who deliver huge stocks as a minimum order to release discounts and announce the businessman as agent. This causes increase of some products and limit space for other products thus prefer to eliminate such discounts to satisfy customers. It is therefore resolved to open a new store, to allow more stocks of variety of items.
- (iii) Retention of suppliers and contractors in major products if further essential since such customers have corporate procedures and undertakings, preparing purchase orders beforehand, negotiating discounts on papers and demanding immediate loading of purchases. Such customers are being served honorably at the center but it has been resolved to open a new store with multiple products so that such royal customers would be served timely at a corporate arrangement.
- (iv) The business has great internal opportunities which need more space to carb. Moreover, the owner is targeting increase of owned properties to expand his investments. Its time therefore to purchase a store to benefit from vertical and horizontal growth and reduce rental expenses for loan repayment.

Instead of expanding stores by renting spaces to pay rental it has deemed important economically to purchase a building on debt engagement and pay interest and loan repayment instead of rental. Moreover, so long as the business man is growing by investing in properties, it economically viable to invest in properties which solve business expenses and mark business growth in the same business line.

5.0.0 PRODUCTS & SERVICES

- I. Electrical equipment's
- II. Transformers, generators, power systems and electric accessories.
- III. Color and decorations
- IV. Cement
- V. Clean and sewage water pipes, tanks PSVs and allied accessories
- VI. Gypsum powder and boards

VII. Colligated and Iron sheets

VIII. All categories of specialized hardware for building purposes.

6.0.0 MARKET ANALYSYS, SWORT, AND COMPETITION

6.1 SWORT ANALYSIS

PARAMETER	DESCRIPTION	JUSTIFICATION
STRENGTH	Experience, Good relationship with manufacturers and sole importers, Self-discipline and managerial skills, Historical background of starting small to grow in the same market.	Started in 1990 to date.
OPPORTUNITIES	Government and individual constructions, New residential areas in Mbagala, Kivule and Ddodoma Sub Centers and connections, Current major construction projects,	Growing attention to Mbagala, Kivule and Ddodma Projects to the supply of major public transport means and growing Populations.
WEAKNESS	LACK OF VRN	AALL buyers need VRN

6.2 Competition

The major competition is opening agency centers by manufacturers like Dragon to sell at manufacturer price, but their strategy fails because they sell only few items and customers are not willing to shift from one shop to another. As a result, they decide to partner with us reduce and are willing to deliver at manufacturer price and leave us with reasonable commissions.

Another set of competition arises from brand commitment when a supplier like SUNSHARE gives major discounts on conditions that a seller should not sell products of another company. But as result when they realize that a seller who rejected their commitment still sells materials from other suppliers who do not recommend brand commitment but give targets. Some manufacturers give target; in case you reach certain selling target they give discount in subsequent orders so we realize the same discount from major sales scores. As the results they come back for business without brand commitment.

6.3 Marketing Strategy

(a) Products: As highlighted in the product table

(b) Place: Kariakoo, Azikiwe Street, for the purpose of making strategic negotiations and connections to suppliers and the market. NEST a government procurement portal.

(c) Promotion: The company engages into agreements with contractors who have construction contracts, this shall ease market penetrations.

(d) Process: The company capital is highly dependent on an existing agreement with Kamarloan Microfinance Limited, which has accepted to advance loans in all projects with a maximum disbursement of 30,000,000/- per month and a maximum debt tolerance of three months, means for the period of one year the loan can help us supply at least a stock of 270,000,000.00 assuming 9 effective working months.

More over here are existing supply contracts to NZURI STORE AND CLEINZ INVESTMENTS pending NEST registrations.

7.0.0 FUNDING ARRANGEMENTS AND FINANCIAL PROJECTIONS

7.1.0 FINACILA SUMMARY FOR THE PAST THREE YEARS

	2024	2023	2024
Income Statement			
Sales Revenue	6,562,700,000	7,130,000,000	7,050,000,000
Cost of sales	5,906,430,000	6,417,000,000	6,345,000,000
Gross Profit	656,270,000	713,000,000	705,000,000
Operating Expenses*	118,735,000	120,051,700	118,118,000
Finance Cost	37,500,000	22,500,000	53,290,000
Depreciation	4,470,313	4,470,313	4,470,313
Net Profit	495,564,688	565,977,988	529,121,688
Balance Sheet			
Land and Building	2,200,000,000	2,200,000,000	2,200,000,000
Plant and Equipment	2,353,125	2,745,313	3,137,501
Motor Vehicles	15,000,000	18,750,000	22,500,000
Stocks	1,350,000,000	1,540,000,000	1,500,000,000
Debtors	37,800,000	67,800,000	92,500,000
Prepayments	0	0	0
Cash/Bank	213,775,300	68,740,300	218,592,000
Creditors	600,000,000	800,000,000	800,000,000
Long term debt	125,000,000	0	175,000,000
Capital			
Paid up share capital	792,500,000	792,500,000	792,500,000
Reserves	2,901,500,300	2,465,935,613	1,969,957,624

1. Financial Ratios Analysis

Ratio	2020	2019	2018
Gross Profit Margin	0.10	0.10	0.10
Net Profit Margin	0.08	0.08	0.08
Current Ratio	2.67	2.05	2.26
Quick Asset Ratio	0.42	0.17	0.39
Stock Turnover Ratio	1,513	1,562	1,544
Gearing Ratio	0.20	0.25	0.35

8.0.0 MANAGEMENT

The business is managed by a functional board of three experts namely Florian Mukyanuzi (Economists), Flavia Tibaigana (Teacher) and Cristian Buberwa (Engineer).

The company has an engagement with an auditor FINACARE AND COMPANY and consultants namely Omala Group and individual management staff.