

LAKE HAUL LOGISTICS LIMITED

BUSINESS PLAN

Prepared by:

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1. EXECUTIVE SUMMARY

Who We Are

LAKE HAUL LOGISTICS LIMITED is a Tanzanian logistics and transportation company specializing in container, fuel, and loose cargo transport across Tanzania and neighboring regions. Leveraging strategic partnerships, an experienced management team, and a robust fleet, LAKE HAUL aims to provide efficient, reliable transportation solutions that meet the demands of regional trade and industry.

Vision

To become the preferred logistics partner in East and Central Africa, renowned for safety, efficiency, and reliable service.

Mission

To deliver exceptional logistical solutions with a focus on safety, timely delivery, and environmental responsibility, supporting Tanzania's economic growth and regional trade connectivity.

Core Values

- **Customer Satisfaction:** Ensuring timely and efficient delivery.
- **Integrity:** Upholding ethical business practices.
- **Safety:** Prioritizing the security of cargo and personnel.
- **Innovation:** Employing modern technology for optimal service.
- **Sustainability:** Reducing environmental impact.

2. COMPANY OVERVIEW

Legal Entity and Ownership

LAKE HAUL LOGISTICS LIMITED is a private limited company established in accordance with the Tanzanian Companies Act and assigned the Taxpayer Identity Number (TIN) 179-433-826. The company is solely owned by the following shareholders.

Table 1: Shares ownership

SN	NAME	SHARES
1	AZIZ MAHMUD DOST	40
2	MOHAMED IBRAHIM DOST	30
3	SHARBANO DOMOHAMED ISSA	30

This share structure positions the company to leverage shareholder expertise in logistics and business management for sustainable growth and expansion.

Primary Objectives

- To maintain a competitive pricing model alongside high service quality.
- To expand into neighboring countries, including Uganda, Kenya, Rwanda, and Zambia.
- To continuously upgrade and expand the fleet to meet growing market demands.

3. PRODUCTS AND SERVICES

Container Transportation

Transporting 20' and 40' containers to various destinations within Tanzania and across borders.



Fuel Transportation

Safe and efficient transport of fuel to industries, fuel stations, and other clients across Tanzania.



Loose Cargo

Bulk transport of various loose goods, including agricultural produce, construction materials, and other industrial products.



Specialized Cargo Services

Transportation of oversized, heavy-duty machinery and equipment for industries like mining and construction.



4. MARKET ANALYSIS

Industry Background

The transportation sector in Tanzania is growing, driven by expanding trade routes and government infrastructure investments. With major transport corridors connecting Tanzania to landlocked countries, LAKE HAUL is well-positioned to capture opportunities in the logistics market.

Target Market

Primary clients include fuel suppliers, industrial manufacturers, construction companies, and agricultural producers.

Competitive Advantage

- Extensive industry experience and a network across Tanzania and East Africa.
- An emphasis on timely delivery, supported by a reliable fleet and trained personnel.
- Flexible and scalable services that can accommodate both full and partial cargo loads.

5. STRATEGY AND IMPLEMENTATION

Marketing Strategy

- **Customer Relationship Management:** Build long-term relationships with major clients in industries such as fuel, agriculture, and construction.
- **Digital Marketing:** Develop an online presence with a user-friendly website and active social media accounts.

- **Pricing Strategy:** Competitive pricing combined with high service standards to retain and attract clients.

Milestones

- **Q1 2025:** Secure initial fleet and operational licenses.
- **Q2 2025:** Begin operations and secure contracts with at least five major clients.
- **Q4 2025:** Expand fleet to support increasing demand.

SWOT Analysis

Table 2: SWOT Analysis

Category	Details
Strengths	
1. Experienced Ownership and Management Team	Founding team members have substantial expertise in logistics, transportation, and business management, enabling effective operations and strategic decision-making.
2. Reliable Fleet and Modern Equipment	A well-maintained, modern fleet ensures high-quality service with minimal downtime, building customer trust and supporting major industrial contracts.
3. Strategic Location and Regional Connectivity	Located in Tanzania, providing access to trade corridors connecting neighboring countries like Uganda, Kenya, Rwanda, and Zambia.
4. Safety and Compliance Focus	Adherence to safety and compliance standards, particularly crucial for high-stakes industries, reduces accident risk, minimizes penalties, and enhances reputation.
Weaknesses	
1. High Capital Requirements for Fleet Expansion	Fleet expansion and maintenance require significant capital, posing a challenge for growth in new regions or specialized equipment acquisition.
2. Limited Brand Recognition in Broader Markets	As a new company, brand reputation needs to be built in East Africa through marketing, networking, and partnerships to compete with established providers.

Category	Details
3. Initial Dependency on Local Market	Revenue is primarily dependent on the domestic Tanzanian market, which may limit growth potential and expose the company to local economic fluctuations.
4. Cash Flow Management	Managing cash flow for operational expenses can be challenging due to the timing of receivables, especially with large contracts.
Opportunities	
1. Growing Demand for Cross-Border Logistics Services	Regional integration in East Africa has led to rising demand for cross-border logistics, offering contract opportunities in neighboring countries.
2. Government Infrastructure Investments	Improvements in road, rail, and port facilities by the Tanzanian government enhance operational efficiency and reduce costs, improving reliability.
3. Expansion into Specialized Logistics Services	Demand for heavy machinery and other specialized transportation services presents an opportunity for premium service offerings.
4. Digital Transformation and Process Automation	Adopting digital logistics solutions (e.g., GPS tracking, fleet management) can streamline operations, optimize costs, and improve client satisfaction.
Threats	
1. Rising Operational Costs	Fluctuations in fuel prices, inflation, and maintenance costs can impact profitability and client retention if passed onto customers.
2. Intense Competition in the Logistics Sector	Strong competition from established regional and international logistics providers may challenge contract acquisition and pricing competitiveness.
3. Regulatory and Compliance Risks	Changes in safety, environmental, and trade regulations can impact costs and limit expansion, requiring administrative resources to ensure compliance.

Category	Details
4. Political and Economic Instability in the Region	Instability in East African countries (e.g., trade restrictions, currency fluctuations, border closures) can disrupt operations and revenue.

6. MANAGEMENT AND ORGANIZATION

Management Team

Led by industry veterans, the LAKE HAUL team combines logistics expertise with strong leadership. Both directors Mr. AZIZ and MOHAMED have robust experience, qualifications and skills in transport industry, that will help to grow the business to the profitability within the shortest time possible.

Job Creation and Employment Plan

LAKE HAUL LOGISTICS LTD intends to grow big in order to compete favorably with in transport industry in Tanzania. We are aware of the importance of transport sector in building the economy of the nation. That is why we are committed to employ more qualified workers in each area including transport officers, managers, drivers, mechanicals and others. We intend to employ more than 70 drivers, 4 transport and logistic officers, 2 supervisors and 2 managers. We are intending to provide employment opportunities to Tanzania youth who are talented, hard workers, and creative.

7. FINANCIAL PLAN

Projected Revenue Streams

Revenue will be primarily generated through fees for transportation services, with additional revenue from premium services like specialized cargo handling and expedited delivery options.

Funding Requirements

To support fleet purchase, initial setup costs, and working capital, LAKE HAUL LOGISTICS LIMITED seeks an investment or loan of [amount]. Funds will be used for vehicle acquisition, maintenance, and operational expenses.

Expenditure Breakdown

Sources of Funds

Revenue from Operations:

- The primary source of funds for Lake Haul Logistics Company is revenue generated from operations. Over the projected years, revenue is expected to increase annually, starting from TZS 80 billion in 2024 to TZS 125 billion by 2028.
- This growth in revenue indicates an expansion in business activities, likely supported by investments in non-current assets (e.g., property, plant, equipment, and fleet).

Equity:

- The company maintains a stable share capital base of TZS 120 million throughout the period, representing the equity initially contributed by shareholders.
- Retained earnings grow each year, increasing from TZS 2 million in 2024 to TZS 75 million by 2028, indicating that the company reinvests a portion of its profits to support operations and growth.

Debt Financing:

- The company gradually increases its non-current liabilities, taking long-term loans starting from TZS 30 million in 2025 and reaching TZS 90 million by 2028. This debt financing supports asset acquisition and expansion.
- Short-term loans also form part of the funding structure, projected to grow from TZS 10 million in 2025 to TZS 35 million by 2028, likely to fund working capital requirements and manage operational liquidity.

Cash Inflows:

- Cash inflows, projected to grow from TZS 75 billion in 2024 to TZS 105 billion by 2028, reflect both operational revenue and potentially investment income. This steady cash flow is essential for maintaining liquidity and covering operational expenses and debt obligations.

Expenditure Breakdown

Cost of Goods Sold (COGS):

- COGS constitutes a major expense, accounting for 50% of revenue each year. It grows from TZS 40 billion in 2024 to TZS 60 billion in 2028, corresponding to the company's expanding operations and inventory costs.

Operating Expenses:

- Operating expenses, including administrative and selling costs, rise each year from TZS 10 billion in 2024 to TZS 18 billion in 2028. This steady increase aligns with business growth and reflects costs related to business expansion, staffing, and operational improvements.

Interest Expense:

- Interest expenses increase due to the gradual growth in both short- and long-term debt. Projected interest expenses grow from TZS 2 billion in 2024 to TZS 4 billion in 2028, indicating the impact of financing costs on the income statement.

Income Tax Expense:

- With an income tax rate of 30%, the tax expense also grows alongside the increase in pre-tax income, rising from TZS 8.4 billion in 2024 to TZS 12.9 billion by 2028.

Capital Expenditures:

- Significant investments are projected in **property, plant, and equipment**, as well as **vehicles and fleet**. Non-current assets increase from TZS 100 million in 2024 to TZS 280 million in 2028, reflecting capital expenditures aimed at expanding the company's operational capacity.

Current Assets and Working Capital:

- Growth in current assets, including **cash equivalents, inventory, and accounts receivable**, indicates increased working capital requirements to support expanding operations. Total current assets grow from TZS 25 million in 2024 to TZS 65 million by 2028, supporting liquidity and operational continuity.

LAKE HAUL LOGISTICS COMPANY LIMITED FINANCIAL STATEMENTS

Projected Statement of Financial Position as at 31 December 2024–2028

Currency: TZS

Item	2024 (TZS)	2025 (TZS)	2026 (TZS)	2027 (TZS)	2028 (TZS)
ASSETS					
Non-Current Assets					
Property, Plant, and Equipment	60,000,000	90,000,000	115,000,000	140,000,000	165,000,000
Vehicles and Fleet	40,000,000	70,000,000	85,000,000	100,000,000	115,000,000
Total Non-Current Assets	100,000,000	160,000,000	200,000,000	240,000,000	280,000,000
Current Assets					
Cash and Cash Equivalents	10,000,000	12,000,000	15,000,000	18,000,000	20,000,000
Inventory	5,000,000	7,500,000	10,000,000	12,500,000	15,000,000
Accounts Receivable	10,000,000	15,000,000	20,000,000	25,000,000	30,000,000
Total Current Assets	25,000,000	34,500,000	45,000,000	55,500,000	65,000,000
Total Assets	125,000,000	194,500,000	245,000,000	295,500,000	345,000,000
EQUITY AND LIABILITIES					
Equity					
Share Capital	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Retained Earnings	2,000,000	12,500,000	30,000,000	50,000,000	75,000,000
Total Equity	122,000,000	132,500,000	150,000,000	170,000,000	195,000,000
Non-Current Liabilities					
Long-Term Loans	0	30,000,000	50,000,000	70,000,000	90,000,000
Total Non-Current Liabilities	0	30,000,000	50,000,000	70,000,000	90,000,000

Item	2024 (TZS)	2025 (TZS)	2026 (TZS)	2027 (TZS)	2028 (TZS)
Current Liabilities					
Accounts Payable	3,000,000	8,000,000	15,000,000	20,000,000	25,000,000
Short-Term Loans	0	10,000,000	20,000,000	30,000,000	35,000,000
Accrued Expenses	0	4,000,000	10,000,000	15,500,000	20,000,000
Total Current Liabilities	3,000,000	22,000,000	45,000,000	65,500,000	80,000,000
Total Liabilities	3,000,000	52,000,000	95,000,000	135,500,000	170,000,000
Total Equity and Liabilities	125,000,000	194,500,000	245,000,000	295,500,000	345,000,000

Projected Statement of Cash Flow for Lake Haul Logistics Company
For the Years Ending 31 December 2024–2028
Currency: TZS

Detail	2024 (TZS)	2025 (TZS)	2026 (TZS)	2027 (TZS)	2028 (TZS)
Beginning Cash	60,669,100,000	129,139,200,000	207,579,300,000	288,007,400,000	376,429,500,000
Cash Inflows	75,000,000,000	85,000,000,000	87,000,000,000	95,000,000,000	105,000,000,000
Cash Outflows	6,529,900,000	6,559,900,000	6,571,900,000	6,577,900,000	6,589,900,000
Ending Cash	129,139,200,000	207,579,300,000	288,007,400,000	376,429,500,000	474,839,600,000

Projected Statement of Comprehensive Income for Lake Haul Logistics Company

For the Years Ending 31 December 2024–2028

Currency: TZS

Detail	2024 (TZS)	2025 (TZS)	2026 (TZS)	2027 (TZS)	2028 (TZS)
Revenue	80,000,000,000	95,000,000,000	105,000,000,000	115,000,000,000	125,000,000,000
Cost of Goods Sold (COGS)	(40,000,000,000)	(45,000,000,000)	(50,000,000,000)	(55,000,000,000)	(60,000,000,000)
Gross Profit	40,000,000,000	50,000,000,000	55,000,000,000	60,000,000,000	65,000,000,000
Operating Expenses	(10,000,000,000)	(12,000,000,000)	(14,000,000,000)	(16,000,000,000)	(18,000,000,000)
Operating Income (EBIT)	30,000,000,000	38,000,000,000	41,000,000,000	44,000,000,000	47,000,000,000
Interest Expense	(2,000,000,000)	(2,500,000,000)	(3,000,000,000)	(3,500,000,000)	(4,000,000,000)
Income Before Tax (EBT)	28,000,000,000	35,500,000,000	38,000,000,000	40,500,000,000	43,000,000,000
Income Tax Expense (30%)	(8,400,000,000)	(10,650,000,000)	(11,400,000,000)	(12,150,000,000)	(12,900,000,000)
Net Income	19,600,000,000	24,850,000,000	26,600,000,000	28,350,000,000	30,100,000,000
Other Comprehensive Income	0	0	0	0	0
Total Comprehensive Income	19,600,000,000	24,850,000,000	26,600,000,000	28,350,000,000	30,100,000,000