

Proposed Business Plan for East Africa Bottlers Limited.

Business Plan for Soft Drinks Bottled water In PET Bottles.

Dated: 20 June 2024.

EAST AFRICA BOTTLERS LTD

P.O.BOX 75175

DAR ES SALAAM

TANZANIA.

Contents

1. Industry Overview	3
2. Executive Summary	4
3. Our Products and Services.	5
4. Our Mission and Vision Statement	5
5. Our Business Structure	6
Job Roles and Responsibilities.....	6
SWOT Analysis	11
6. Market Analysis	11
Market Trends	11
Sales Forecast	12
7. Financial Plan of water purification and bottling business.....	13
Projected Profit and Loss	13
Pro Forma Cash Flow	13
Projected Balance Sheet	14
Generating Funding/Startup Capital for EABL Bottled Water Production Company	15
Startup Expenditure (Budget)	15
Our Competitive Advantage	16
8. Sales And Marketing Strategy	16
Sources of Income	16
Publicity and Advertising Strategy	17

1. Industry Overview

Water is essential and basic to any humankind. Water is life to the planet and survival cannot happen without water. Water is necessary use.

Bottled water is one commodity that is consumed in all parts of the world and of course, those that are in the business of producing bottled water are known to generate sales year in year out if the business is well – managed. As a matter of fact, economic downturn hardly affects the consumption of bottled water simple because it is a commodity that is as important as the air we breathe in.

Production companies in the bottled water industry purify and bottle water into plastic and glass bottles for consumption. The bottled water are properly capped and labeled accordingly before being sold to the general public. Companies in this industry usually have an assortment of water offerings, such as spring water, mineral water, sparkling water and flavored water in a range of sizes and prizes.

Players in this industry are also involved in the manufacturing of ice manufacturing. It is common to find big corporations who are into production of soft drinks and food and beverages engage in the production of bottled water.

The market study on bottled water penetration in Tanzania market show coverage of only 34% product penetration. Most of which is through de-fragmented ingenious market ad hoc companies whose purpose is a specific constrained market. We did hire IPSOS RESEARCH GROUP to carry out a country-wide market research per regional geography.

Given the heavy bulk weight of industry products and the relatively low value per unit sold, bottled water production generally requires heavy investments in machinery and transportation.

While the majority of bottled water production is performed as one of many activities within the corporate portfolios of international food and beverage companies i.e DASANI & KILIMANJARO, the remaining portion of the industry's production is performed through small-sized local players like FURAHA water in Babati.

The Bottled Water Production industry is a thriving sector of the economy in Tanzania but still at infancy in terms of growth.

The industry is responsible for the employment of a huge population directly and indirectly. Experts project the bottle water production industry to grow at a 4 percent annual rate. The Coca Cola Company, Bonite Bottlers, Jambo Foods Ltd, Hill Ltd and Watercom are local market leaders in the bottled water industry; they have the lion market share.

Despite the fact that there are few big companies who are into the production of bottled water, the fact remains that starting a bottled water production business has minimal barriers to entry.

Most players in the bottled water production industry are small- to medium-size establishments that cater to the local community.

With this kind of business, if you want to start on a small scale, you can choose to start servicing your local community. All you would need is contacts, packaging, networking and good marketing and customer service skills. However, if you intend starting it on a large scale, then you should consider spreading beyond your local community to national level.

Over and above, the bottled water production industry is a profitable industry and it is open for any aspiring entrepreneur to come in and establish his or her business;

2. Executive Summary

East Africa Bottlers Limited Company is a licensed and standard bottled water production company that will be located in a light industrial area in Kibugumo-Kigamboni area., Dar es Salaam. We have been able to secure through internal financing a 10 acre facility in a strategic location with an option of a long term expansion space and conditions that is favorable to us.

The facility has government approval for the kind of business we want to run and it is easily accessible and we are deliberate about that to facilitate easy movement of raw materials (plastics and bottles et al) and finished products (bottled waters).

We are in the bottled water production business to engage in purifying and bottling water, purifying and bottling carbonated water, labeling bottled water products, promoting bottled water brands, production bottled still water, production of bottled flavored water, production of bottled sparkling water and manufacturing ice and carbonated soft drinks.

We are also in business to make profits at the same to give our customers value for their money; we want to give people and businesses who patronize our beverages the opportunity to be part of the success story of East Africa Bottlers Ltd Company.

We are aware that there are several big scale and small scale bottled water production companies scattered all around the United Republic of Tanzania whose products can be found in every nooks and crannies.

This is why we spent time and resources to conduct our feasibility studies and market survey so as to enable us locate the business in an area that will support the growth of the business and also for us to be able offer much more than our competitors will be offering.

We ensured that our facility is easy to locate and we have mapped out plans to develop a wide distribution network for wholesalers all around Dar es salaam and Tanzania as a whole.

Much more than producing healthy, portable and well packaged bottled water, our customer care is going to be second to none. We know that our customers are the reason why we are in business which is why we will go the extra mile to get them satisfied when they purchase any of our bottled water and also to become our loyal customers and ambassadors.

East Africa Bottlers Ltd Company will ensure that all our customers (wholesale distributors and KDs) are given first class treatment whenever they visit our Depot / Plant. We have a Customer Relation Management software that will enable us manage a one on one relationship with our customers (wholesale distributors) no matter how large the numbers of our customer base may grow to. We will ensure that we get our customers involved when making some business decisions that will directly or indirectly affect them.

East Africa Bottlers Ltd Company is a family business owned by Mr.Gervas Bidyanguze and Family. Mr Gervas Bidyanguze who is the Chief Executive Officer of the Company is an astute highly experienced businessperson in Energy sector having steered successfully WORLD OIL TANZANIA Ltd as a leading Oil & Gas player locally and beyond borders.

He has well over 40 years of experience working in Oil & Gas industry as an entrepreneur prior to starting East Africa Bottlers Ltd Company. He will be working with a team of professionals to build the business and grow it to enviably heights.

3. Our Products and Services.

East Africa Bottlers Ltd Company is going to operate a commercial and licensed bottled water production company whose products will not only be sold in Dar es Salaam but in whole of Tanzania and export.

We are in the bottled water production business to make profits and also to give our customers value for their money. These are some of the products that we will be offering;

- Purifying and bottling water
- Purifying and bottling carbonated water
- Labeling bottled water products
- Promoting bottled water brands
- Manufacturing ice
- Still water
- Flavored water
- Sparkling water

- **Bulk Purified water**

The most preferred processes used for the purification process are reverse osmosis (RO), deionization, and distillation. East Africa Bottlers Ltd will use reverse osmosis systems as they remove up to 99% of organic substances and ions from the water. This process is discussed in detail in our water purification plant business plan.

- **Still bottled water**

This type of bottled water is the most often used to replace tap water. It has varying levels of dissolved minerals and does not contain added carbonation. In this bottling water business plan, we will list how much sales of this product are expected in a period lasting three years.

- **Sparkling bottled water**

Sparkling water, also known as seltzer, soda, or tonic water, is infused with carbon dioxide to create tons of bubbles and fizziness. It is often used as a healthy substitute for sugary sodas and other beverages because it is lower in calories and sugar. We will offer different flavors of the product to meet the expectations of our customers.

- **Flavored bottled water**

Flavored water is a beverage with added natural or artificial flavors, herbs, and sweeteners. EABL will offer different options to its customers for a wider target market i.e. Mango, strawberry, cherries flavor etc.

4. Our Mission and Vision Statement

- Our vision is to establish a commercial bottled water Production Company whose products will not only be sold in Dar es Salaam, but also throughout Tanzania and beyond.
- Our mission is to establish a standard and world class bottled water Production Company that in our own capacity will favorably compete with leaders in the industry such as Bonite Bottlers Ltd, Coca Cola Dasani, and Watercom etc.
- We want to build a bottled water production business that will be listed amongst the top 20 bottled water brands in Tanzania and Eastern Africa.

5. Our Business Structure

East Africa Bottlers Ltd Company is a business that is established with the aim of competing favorably with other leading bottled water brands in the industry. This is why we will ensure that we put the right structure in place that will support the kind of growth that we have in mind while setting up the business.

We will ensure that we only hire people that are qualified, honest, hardworking, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

As a matter of fact, performance based contract with profit shared commission will be available to all our senior management staff and it will be based on their performance for a period of three years or more depending how fast we meet our set target. In view of that, we have decided to hire qualified and competent hands to occupy the following positions;

- Chief Executive Officer (Owner)
- Plant Manager / Technical Manager / Manufacturing Manager.
- Maintenance Manager.
- Electrical / Automation Engineer.
- Maintenance Engineer.
- Production Manager
- Quality Assurance Manager / Quality Control Manager.
- Technicians / Technical Operators.
- Stores & Procurement Manager
- Operations Manager / Transport Manager.
- HSE Officer / Food Safety coordinator.
- Human Resources and Admin Manager
- Merchandize Manager.
- Sales and Marketing Manager
- Information Technologist
- Accountants/Cashiers
- Cleaners

Job Roles and Responsibilities

Chief Executive Officer – CEO (Owner):

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountability; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing cheques and documents on behalf of the company
- Evaluates the success of the organization

Plant Manager / Technical Manager / Manufacturing Manager

- Responsible for overseeing the smooth running of the bottled water production plant
- Part of the team that determines the quantity of bottled water that are to be produced
- Map out strategy that will lead to efficiency amongst workers in the plant
- Responsible for training, evaluation and assessment of plant workers
- Ensures that the steady flow of both raw materials to the plant and easy flow of finished products through wholesale distributors to the market
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Ensures that the plant meets the expected safety and health standard at all times.

Human Resources and Admin Manager

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.
- Defines job positions for recruitment and managing interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation and assessment of employees
- Oversee the smooth running of the daily office and factory activities.

Merchandize Manager

- Manages vendor relations, market visits, and the ongoing education and development of the organizations' buying teams
- Helps to ensure consistent quality of bottled water
- Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors
- Ensures that the organization operates within stipulated budget.

Purchase Manager

- Responsible for the purchase of raw materials and packaging materials (bottles, and plastics et al), Develops a purchasing strategy.
- Reviews and processes purchase orders.
- Manages other members of the purchasing team.
- Maintains records of goods ordered and received.
- Negotiates prices and contracts with suppliers.
- Builds and maintains relationships with vendors.

Sales and Marketing Manager

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- Develops, executes and evaluates new plans for expanding increase sales
- Documents all customer contact and information
- Represents the company in strategic meetings

- Helps to increase sales and growth for the company

Accountant/Cashier

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

Client Service Executive

- Ensures that all contacts with customer (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with customers on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the store manager in an effective and timely manner
- Consistently stays abreast of any new information on Sparkles® Bottled Water Production Company products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients when they make enquiries

Production Workers / Machine Operators / Technical operators.

- Responsible for purifying and bottling water
- Handles purifying and bottling carbonated water
- Handles labeling of bottled water products
- Promotes bottled water brands
- Responsible for the manufacturing of ice
- Responsible for the bottling of still water
- Responsible for the bottling of flavored water
- Responsible for the bottling of sparkling water
- Assists in packaging and loading bottled water into distribution trucks
- Any other duty as assigned by the restaurant manager.

Distribution Truck Drivers

- Assists in loading and unloading bottled water.
- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Assists the transport and logistics manager in planning their route according to a delivery schedule.
- Local-delivery drivers may be required to sell products or services to stores and businesses on their route, obtain signatures from recipients and collect cash.
- Transport finished goods and raw materials over land to and from manufacturing plants or retail and distribution centers
- Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures.
- Collects and verify delivery instructions
- Reports defects, accidents or violations

Company Staff/Direct staff(assumption)- Technical Department.

- 1. Plant Manager / Technical Manager / Manufacturing Manager.
- 1. Maintenance Manager.
- 1. Electrical / Automation Engineer.
- 1. Maintenance Engineer.
- 1. Production Manager
- 1. Quality Assurance Manager / Quality Control Manager.
- 20. Technicians / Technical Operators.
- 1. Stores & Procurement Manager
- 1. Operations Manager / Transport Manager.
- 1. HSE Officer / Food Safety coordinator
- 20. Production Assistants / loaders /Casuals.
- 10. Marketing Officer
- 20. Delivery Drivers
- 1 accounting managers

Average Salary of Employees, 2024 –2025 Project Start up Team

1st YEAR 2024 -2025 PROJECT START UP SALARY PROJECTION PLAN.						
NO	Position	Department	Status	Months	Monthly salary	TOTAL (TSH.)
1	Project / Manufacturing Manager	Head Office / Field	Expert	12	3,000	93,600,000
2	Project Quality Surveyor	Head Office / Field	Expert	2	2,000	10,400,000
3	Project Structural Engineer	Head Office / Field	Expert	3	2,000	15,600,000
4	Project Electrical Engineer	Head Office / Field	Expert	8	2,000	41,600,000
5	Project Mechanical Engineer	Head Office / Field	Expert	8	2,000	41,600,000
6	Project ICT & Fire Engineer	Head Office / Field	Local	3	2,000	15,600,000
7	Mechanical Technician	Field	Local	8	1,500,000	12,000,000
8	Electrical & Electronics Technician	Field	Local	8	1,500,000	12,000,000
9	Plumber / Gen. Fitter	Field	Local	8	1,000,000	8,000,000
10	HSE & Food Safety co coordinator	Field	Local	12	1,500,000	18,000,000
	TOTAL		Yearly salary			268,400,000
	Employees Other Benefits.					
35	Travelling, medical, leave & Accom.& Misc. Allowances					37,730,000
	TOTALSALARY 2024 - 2025. (TSH)					306,130,000
	TOTALSALARY 2024 - 2025. (USD)					117,742.31

PLANT SALARY PROJECTION PLAN 2025-2026						
NO	Position	Department	Status	Currency	Monthly salary	TOTAL (TSH.)
1	Project / Manufacturing Manager	Technical	Experit	USD	4,000	124,800,000
2	Maintenance Engineer	Engineering	Experit	USD	2,500	78,000,000
3	Electrical & Automation Engineer	Engineering	Experit	USD	2,500	78,000,000
4	Quality Manager	Quality	Experit	USD	3,000	93,600,000
5	Production Manager	Production	Experit	USD	3,000	93,600,000
6	Production Supervisor	Production	Local	TSH.	2,000,000	24,000,000
7	Maintenance Supervisor	Engineering	Local	TSH.	2,000,000	24,000,000
8	Technical operator – labeler	Prod. / Engineering	Local	TSH.	1,000,000	12,000,000
9	Tech. operator - shrink Wrapper	Prod. / Engineering	Local	TSH.	1,000,000	12,000,000
10	QC Technician	Quality	Local	TSH.	1,000,000	12,000,000
11	Mechanical line Technician	Engineering	Local	TSH.	1,500,000	18,000,000
12	Electrical & Electronics Technician	Engineering	Local	TSH.	1,500,000	18,000,000
13	Microbiologist	Quality	Local	TSH.	1,200,000	14,400,000
14	RO Plant Operator	Quality	Local	TSH.	1,000,000	12,000,000
15	Tech. Operator – Boiler	Engineering	Local	TSH.	1,000,000	12,000,000
16	Tech. Operator – Filler	Prod. / Engineering	Local	TSH.	1,200,000	14,400,000
17	Tech. Operator - Blow moulder	Prod. / Engineering	Local	TSH.	1,200,000	14,400,000
18	Quality Technician	Quality	Local	TSH.	1,200,000	14,400,000
19	Tech. Operator – Refrigeration	Engineering	Local	TSH.	1,200,000	14,400,000
20	ETP Operator	Quality	Local	TSH.	1,000,000	12,000,000
21	Syrup Room operator	Quality	Local	TSH.	1,200,000	14,400,000
22	Plumber / Gen. Fitter	Engineering	Local	TSH.	1,200,000	14,400,000
23	Production Clerk	Production	Local	TSH.	1,200,000	14,400,000
24	Fork Lift Driver	Engineering	Local	TSH.	1,000,000	12,000,000
25	Food Safety co coordinator	Quality	Local	TSH.	2,000,000	24,000,000
26	Procurement & Store Manager	Finance	Local	TSH.	2,500,000	30,000,000
27	Engineering store keeper	Engineering	Local	TSH.	1,200,000	14,400,000
28	Stores Keeper- Raw Material	Finance	Local	TSH.	1,000,000	12,000,000
29	Operations Manager	Operation	Local	TSH.	2,500,000	30,000,000
30	Marketing Officer	Sales & Marketing	Local	TSH.	1,200,000	14,400,000
31	Accounts manager	Finance	Local	TSH.	2,500,000	30,000,000
32	Accounts Clerk	Finance	Local	TSH.	1,200,000	14,400,000
33	Delivery Drivers.	Sales & Marketing	Local	TSH.	1,000,000	12,000,000
34	Tig / S.S. Welder	Engineering	Local	TSH.	1,200,000	14,400,000
	TOTAL		Yearly salary			946,800,000
35	Travelling, medical, leave & Pension Allowances					26,334,000
	TOTALSALARY 2025 - 2026. (TSH)					973,134,000
	TOTALSALARY 2025 - 2026. (USD)					374,282.31

NB. There are more positions considerations on actualizing stage of this business plan for more employees like security persons, office cleaners, personal drivers to senior staff, receptionists. etc.

SWOT Analysis

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be well equipped to confront our threats.

East Africa Bottlers Ltd Company employed the services of an expert HR and Business Analyst with bias in start – up business to help us conduct a thorough SWOT analysis and to help us create a Business model that will help us achieve our business goals and objectives.

This is the summary of the SWOT analysis that was conducted for East Africa Bottlers Ltd Company;

Strength:

Part of what is going to count as positives for EABL Company is the vast experience of our management team, we have people on board who are highly experienced and understands how to grow business from the scratch to becoming a national phenomenon.

So also, the wide varieties of bottled water in terms of flavor, packaging and size that we shall produce, our large national distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

Weakness:

A major weakness that may count against us is the fact that we are a new bottled water production company and we don't have the financial capacity to engage in the kind of publicity that we intend giving the business especially when big names like The Coca Cola Company, WATERCOM and Bonite Bottlers Ltd are already determining the direction of the market.

Opportunities:

The opportunities for bottled water production companies with a wide range of bottled water products are enormous. This is due to the fact that almost all Tanzanian and people from all over the world can afford bottled water and they drink it regularly.

As a result of that, we were able to conduct a thorough market survey and feasibility studies so as to position our business to take advantage of the existing market for bottled water and also to create our own new market. We know that it is going to require hard work, and we are determined to achieve it.

Threat:

We are quite aware that just like any other business, one of the major threats that we are likely going to face is economic downturn and unfavorable government policies. It is a fact that economic downturn affects purchasing power. Another threat that may likely confront us is the arrival of a new bottled water production company in same location where ours is located.

The last threat, which we have addressed, is experienced staff changing companies whereby they are lured by competing companies and this creates unwarranted expenses to counter rival offers.

6. Market Analysis

Market Trends

Most bottled water companies are leveraging on creativity in terms of packaging and marketing to continue to stay afloat in the industry. One creativity approach that is common is ensuring that their bottled water conforms to the appropriate PH – level.

As a matter of fact it is common to find bottled water production companies especially medium scale and small scale bottled water companies specially labeling their bottled water for specific occasions to meet the demand of their

clients. For example, a client that is celebrating his or her birthday may strike an agreement with a bottled water company to specially label the bottled water that will be served in the occasion to conform with the occasion. A hotel will appreciate their logo-branded bottled water as well as airlines and other corporations.

Lastly, another trend in the bottled water production industry is the adoption of eco – friendly approach towards the production and packaging of bottled water. In fact, the industry’s adoption of eco-friendly practices will likely persuade environmentally conscious consumers to buy its products, while increasing operators’ efficiency.

Our Target Market

When it comes to selling bottled water, there is indeed a wide range of available customers. In essence, our target market can’t be restricted to just a group of people, but all those who resides in our target market locations.

In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in wholesale distribution and to retail bottled water to the following groups of people;

- Hotels, Restaurants and Canteens-12%
- Event Planners, Parties and Corporate Functions 1%
- Key Distributors/Wholesalers -70%
- Government Officials-3%
- Celebrities-0.5%
- Military Men and Women canteens-1%
- Sports Men and Women-1%
- Students-3%
- Shipping lines through Dar port & Other markets 3.5%

Sales Forecast

One thing is certain when it comes to bottled water production business, if your bottled water are well – packaged and branded and if your production plant is centrally positioned and easily accessible, you will always attract customers cum sales and that will sure translate to increase in revenue generation for the business.

We are well positioned to take on the available market in Dar es Salaam and every city where our bottled water will be sold and we are quite optimistic that we will meet our set target of generating enough income / profits from the first six month of operations and grow the business and our clientele base.

We have been able to critically examine the bottled water production industry, we have analyzed our chances in the industry, and we have been able to come up with the following sales forecast. The sales projection is based on information gathered on the field and some assumptions that are peculiar to startups in Dar es Salaam.

Below is the sales projection for EABL Company, it is based on the location of our business and other factors as it relates large scale bottled water production company start – ups in Tanzania;

	Aug'26 - Jul'27	Aug'27 - Jul'28	Aug'28 - Jul'29	Aug'29 - Jul'30	Aug'29 - Jul'30
REVENUE					
Sales Revenue (post-commissioning)					
Bottled Water Sales	20,032,650,000	33,654,852,000	35,257,464,000	37,020,337,200	38,871,354,060

- **First Fiscal Year:- Tzs20B** (Tzs250 gross sale revenue per litre x 40,000lts finished product per Hour x 5hrs a day x 5days x 4weeks x 12months)
- **Second Fiscal Year:- Tzs 33B** (Tzs 250 gross sale revenue per litre x40,000lts production per hour x 8hrs a day x 5days x 4weeks x 12 months)
- **Third Fiscal Year:- Tzs 35B** (Tzs250 gross sale revenue per litre x 40,000lts finished product per hr x 8 hrs a day x 5days x 4weeks x 12 months)

- **NB:** This projection is done based on Targeted sales per year with assumption that there will not be any major economic meltdown and no upward regulatory changes in water taxation.

7. Financial Plan of water purification and bottling business

Projected Profit and Loss

Projected Profit & Loss Statement (P&L)	Aug'24 - Jul'25	Aug'25 - Jul'26	Aug'26 - Jul'27	Aug'27 - Jul'28	Aug'28 - Jul'29	Aug'29 - Jul'30	Aug'29 - Jul'30
REVENUE							
Sales Revenue (post-commissioning)							
Bottled Water Sales			20,032,650,000	33,654,852,000	35,257,464,000	37,020,337,200	38,871,354,060
TOTAL			20,032,650,000	33,654,852,000	35,257,464,000	37,020,337,200	38,871,354,060
COST OF GOODS SOLD							
Raw Materials			935,464,050	1,571,579,604	1,650,158,584	1,732,666,513	1,819,299,839
Direct Labor			71,040,000	74,592,000	78,321,600	82,237,680	86,349,564
Salaries			834,100,000	875,805,000	919,595,250	965,575,013	1,013,853,763
Utilities			49,489,954	51,964,451	54,562,674	57,290,808	60,155,348
Depreciation on Production Equipment		installation period	2,813,106,391	2,813,106,391	2,813,106,391	2,813,106,391	2,813,106,391
Other Direct Costs			18,900,940	25,739,411	27,026,381	28,377,700	29,796,585
Insurance on Machinery			43,795,462	45,985,235	48,284,497	50,698,722	53,233,658
Interest payment on Loan (P&M)			813,222,941	514,691,792	188,156,363	-	-
TOTAL (COST OF GOODS SOLD)			5,579,119,738	5,973,463,884	5,779,211,740	5,729,952,827	5,875,795,148
GROSS PROFIT/(LOSS)			14,453,530,262	27,681,388,116	29,478,252,260	31,290,384,373	32,995,558,912
OPERATING EXPENSES							
Pre-Operational Expenses (expensed if not capitalized)			282,796,264	282,796,264	282,796,264	282,796,264	282,796,264
SG&A (Selling, General & Administrative Expenses)							
Marketing & Advertising (Salaries)			26,300,000	27,615,000	28,995,750	30,445,538	31,967,814
Marketing & Advertising (Promotion, delivery etc.,)			3,004,897,500	5,048,227,800	5,288,619,600	5,553,050,580	5,830,703,109
Salaries & Wages (non-production)			86,400,000	90,720,000	95,256,000	100,018,800	105,019,740
Casual Labour			149,334,300	156,801,015	164,641,066	172,873,119	181,516,775
Medical, Leave etc.,			26,334,000	27,650,700	29,033,235	30,484,897	32,009,142
Rent & Utilities (non-production)			24,000,000	25,200,000	26,460,000	27,783,000	29,172,150
Insurance on Buildings			48,842,461	51,284,584	53,848,813	56,541,254	59,368,316
Administration Expns			100,163,250	105,171,413	110,429,983	115,951,482	121,749,056
Depreciation (non-production assets)			3,173,760,043	3,173,760,043	3,173,760,043	3,173,760,043	3,173,760,043
Other Operating Expenses			2,306,870	2,422,214	2,543,324	2,670,490	2,804,015
Exchange difference			230,516,756	242,042,593	254,144,723	266,851,959	280,194,557
TOTAL			7,155,651,444	9,233,691,626	9,510,528,802	9,813,227,426	10,131,060,982
EBIT (EARNINGS BEFORE INCOME & TAXES)			7,297,878,819	18,447,696,490	19,967,723,458	21,477,156,947	22,864,497,929
TAXES							
Income Tax Expenses			2,189,363,646	5,534,308,947	5,990,317,038	6,443,147,084	6,859,349,379
Net Income			5,108,515,173	12,913,387,543	13,977,406,421	15,034,009,863	16,005,148,551
USD Conversion			1,964,814	4,966,688	5,375,926	5,782,311	6,155,826

Pro Forma Cash Flow

	Aug'24 - Jul'25	Aug'25 - Jul'26	Aug'26 - Jul'27	Aug'27 - Jul'28	Aug'28 - Jul'29	Aug'29 - Jul'30	Aug'29 - Jul'30
Projected Cashflow							
Net Income			5,108,515,173	12,913,387,543	13,977,406,421	15,034,009,863	16,005,148,551
Depreciation Adjustment			5,986,866,434	5,986,866,434	5,986,866,434	5,986,866,434	5,986,866,434
Changes in Working Capital			(4,248,420,929)	(6,679,521,633)	(317,978,700)	(364,506,515)	(380,407,972)
Net operating Cash Flow	-	-	6,846,960,678	12,220,732,344	19,646,294,155	20,656,369,782	21,611,607,013
Cash flow from Investing activities							
Capex	(49,138,447,487)	(2,795,676,630)	(1,090,070,000)	-	-	-	-
Cashflow from Financing Activities							
Third Party Financing	10,470,800,200		(3,182,400,825)	(3,480,931,973)	(3,807,467,402)	-	-
Shareholder Equity	40,140,000,000	4,245,000,000					
Increase/Decrease in Cash&Cash equivalents	1,472,352,713	1,449,323,370	2,574,489,854	8,739,800,371	15,838,826,753	20,656,369,782	21,611,607,013
opening balance	-	1,472,352,713	2,921,676,083	5,496,165,937	14,235,966,308	30,074,793,061	50,731,162,843
Closing Cash and Cash Equivalents	1,472,352,713	2,921,676,083	5,496,165,937	14,235,966,308	30,074,793,061	50,731,162,843	72,342,769,856

Projected Balance Sheet

PROJECTED BALANCE SHEET (BS) (TZS)	Aug'24 - Jul'25	Aug'25 - Jul'26	Aug'26 - Jul'27	Aug'27 - Jul'28	Aug'28 - Jul'29	Aug'29 - Jul'30	Aug'30 - Jul'31
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	1,472,352,713	2,921,676,083	5,496,165,937	14,235,966,308	30,074,793,061	50,731,162,843	72,342,769,856
Accounts Receivable (post-commissioning)			4,006,530,000	10,096,455,600	10,577,239,200	11,106,101,160	11,661,406,218
Inventory							
Raw Materials			77,955,338	130,964,967	137,513,215	144,388,876	151,608,320
Finished Goods (post-commissioning)			608,156,568	1,537,308,041	1,663,976,955	1,789,763,079	1,905,374,827
Pre-operational expenses (not capitalised)	1,425,886,014	2,827,962,644	2,545,166,380	2,262,370,115	1,979,573,851	1,696,777,586	1,413,981,322
Other Current Assets	1,393,600,000	2,787,200,000	2,787,200,000	2,787,200,000	2,787,200,000	2,787,200,000	2,787,200,000
TOTAL (CURRENT ASSETS)	4,291,838,727	8,536,838,727	15,521,174,222	31,050,265,031	47,220,296,281	68,255,393,544	90,262,340,543
NON CURRENT ASSETS							
Property, Plant, and Equipment (PPE):							
Land	2,421,147,500	2,421,147,500	2,421,147,500	2,421,147,500	2,421,147,500	2,421,147,500	2,421,147,500
Buildings	24,421,230,345	24,421,230,345	24,421,230,345	24,421,230,345	24,421,230,345	24,421,230,345	24,421,230,345
Production Equipment	21,897,731,128	21,897,731,128	21,897,731,128	21,897,731,128	21,897,731,128	21,897,731,128	21,897,731,128
Vehicles - Plant			607,120,000	607,120,000	607,120,000	607,120,000	607,120,000
Forklifts			430,000,000	430,000,000	430,000,000	430,000,000	430,000,000
Computers			27,950,000	27,950,000	27,950,000	27,950,000	27,950,000
Furniture			25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Contingency Reserve - Equipment / construction							
Accumulated Depreciation (post-commissioning)			(5,986,866,434)	(11,973,732,868)	(17,960,599,302)	(23,947,465,737)	(29,934,332,171)
TOTAL (NON CURRENT ASSETS)	48,740,108,973	48,740,108,973	43,843,312,539	37,856,446,105	31,869,579,671	25,882,713,237	19,895,846,802
TOTAL ASSETS (A+B)	53,031,947,700	57,276,947,700	59,364,486,761	68,906,711,135	79,089,875,952	94,138,106,781	110,158,187,345
LIABILITIES							
Equity:							
Equity share Capital	42,561,147,500	46,806,147,500	46,806,147,500	46,806,147,500	46,806,147,500	46,806,147,500	46,806,147,500
Retained Earnings			5,108,515,173	18,021,902,716	31,999,309,137	47,033,319,000	63,038,467,550
TOTAL EQUITY	42,561,147,500	46,806,147,500	51,914,662,673	64,828,050,216	78,805,456,637	93,839,466,500	109,844,615,050
Current Liabilities:							
Accounts Payable			77,955,338	130,964,967	137,513,215	144,388,876	151,608,320
Taxes Payable			83,469,375	140,228,550	146,906,100	154,251,405	161,963,975
TOTAL (CURRENT LIABILITIES)	-	-	161,424,713	271,193,517	284,419,315	298,640,281	313,572,295
Non-Current Liabilities:							
Long-term Debt	10,470,800,200	10,470,800,200	7,288,399,375	3,807,467,402	-	-	-
TOTAL (NON CURRENT LIABILITIES)	10,470,800,200	10,470,800,200	7,288,399,375	3,807,467,402	-	-	-
TOTAL LIABILITIES	53,031,947,700	57,276,947,700	59,364,486,761	68,906,711,135	79,089,875,952	94,138,106,781	110,158,187,345

Generating Funding/Startup Capital for EABL Bottled Water Production Company

East Africa Bottlers Ltd is a family business that is owned and financed by Mr. Gervas Bidyanguze and Family. They do not intend to welcome any external business partners, which is why he has decided to restrict the sourcing of the start – up capital to 3 major sources as below.

- Bank/Term Loan
- Capital from personal savings (Directors).

3 Year Investment Budget (TZS)	Aug'24 - Jul'25	Aug'25 - Jul'26	Aug'26 - Jul'27
Initial Capital Infusion			
Shareholder Capital	40,140,000,000	4,245,000,000	
Debt Financing	10,470,800,200		1,090,070,000
Total Annualized Investment	50,610,800,200	4,245,000,000	1,090,070,000

Startup Expenditure (Budget)

We would need an estimate of 57.2B (**22M USD**) to successfully set up our bottled water production plant (1st Phase Greenfield Project).

We intend to engage in Phase 2 (Carbonated Soft Drinks & Hot Filling Juices production plants estimated at **(27,646,696 USD)** once we are successful with Phase 1 above.

3 Year Investment Budget	Aug'24 - Jul'25	Aug'25 - Jul'26	Aug'26 - Jul'27
CONSTRUCTION COST			
Building Construction	21,676,119,108		
Infrastructure development (Roads, Utilities)	2,277,600,500		
Machinery & Equipment Purchase	21,897,731,128		
Forklifts			430,000,000
Vehicles - Distribution			607,120,000
Installation & Commissioning Costs	467,510,737		
Computers			27,950,000
Furniture			25,000,000
Consultancy & Professional Fees	52,000,000	26,000,000	
Insurance	26,000,000	26,000,000	
Licensing & Permits	52,000,000	26,000,000	
Pre-operating Expenses			
Salaries (pre-operational staff)	268,400,000	268,400,000	
Travelling, Medical, Leave & accommodation	37,730,000	37,730,000	
Administrative Expenses	124,800,000	124,800,000	-
Utility consumption (electricity, water etc.,)	132,000,000	132,000,000	
Contingency Reserve - General	1,393,600,000	1,393,600,000	-
interest/Principle Payments	732,956,014	732,956,014	3,995,623,765
Exchange difference		28,190,616	230,516,756
TOTAL	49,138,447,487	2,795,676,630	5,316,210,521

Our Competitive Advantage

A close study of the bottled water production industry reveals that the market has become much more intensely competitive over the last decade. In fact, you have to be highly creative, customer centric and proactive if you must survive in this industry.

We are aware of the stiffer competition and we are well prepared to compete favorably with other bottled water production companies in Dar es Salaam and throughout Tanzania and beyond.

EABL Company is launching a standard bottled water brand that will indeed become the preferred choice of residence of Dar es Salaam and every city where our bottled water will be retailed.

Part of what is going to count as competitive advantage for EABL Company is the vast experience of our management team, we have people on board who are highly experienced and understands how to grow business from the scratch to becoming a national phenomenon.

So also, the wide varieties of bottled water in terms of flavor, packaging and size et al that we produce, our large national distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category (startups bottled water companies) in the bottled water industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

8.Sales And Marketing Strategy

Sources of Income

EABL Company is established with the aim of maximizing profits in the bottled water production industry in both Tanzania and EAC and we are going to go all the way to ensure that we do all it takes to sell a wide range of bottled water products to a wide range of customers.

EABL Company will generate income by selling the following products;

- Still water
- Flavored water
- Sparkling water
- Purifying and bottling water
- Purifying and bottling carbonated water
- Labeling bottled water products
- Promoting bottled water brands
- Manufacturing ice

Before choosing a location for EABL Company and also the kind of distilled drinks to produce, we conducted a thorough market survey and feasibility studies in order for us to be able to penetrate the available market in our target locations.

We have detailed information and data that we were able to utilize to structure our business to attract the numbers of customers we want to attract per time and for our products to favorable compete with other leading brands in Tanzania. We hired experts who have good understanding of the bottled water production industry to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market in Tanzania. In order to continue to be in business and grow, we must continue to sell our products to the available market that is why we will go all out to empower our sales and marketing team to deliver our corporate

sales goals. In summary, EABL Company will adopt the following sales and marketing approach to sell our bottled water;

1. Introduce our bottled water brand by sending introductory letters to KDs, bottled water merchants and other stakeholders in Tanzania.
2. Open our bottled water production company with a party so as to capture the attention of residence who are our first targets
3. Engage in road show in targeted communities from time to time to sell our products
4. Advertise our products in local TV and radio stations
5. aggressive social media campaign targeting celebrity artists.
6. Leverage on the internet to promote our bottled water brands
7. Engage in direct marketing and sales
8. Encourage the use of Word of mouth marketing (referrals)

Publicity and Advertising Strategy

Despite the fact that our bottled water production plant is a standard one with a wide range of bottled water products that can favorably compete with other leading brands, we will still go ahead to intensify publicity for all our products and brand. We are going to explore all available means to promote EABL Company.

EABL Company has a long-term plan of distributing our bottled water in various locations all around Tanzania and later EAC, which is why we will deliberately build our brand to be well accepted in Dar es Salaam before venturing out.

As a matter of fact, our publicity and advertising strategy is not solely for selling our products but to also effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise EABL Company;

- Place adverts on both print and electronic media platforms
- Sponsor relevant community programs like Dar gymkhana golf tournament
- Leverage on the internet and social media platforms like; Instagram, Facebook , twitter, et al to promote our bottled water brand
- Install our Bill Boards on strategic locations all around major cities starting with Dar es Salaam.
- Engage in road show from time to time in targeted regions.
- Distribute our fliers and handbills in target areas
- Position our Flexi Banners at strategic positions in the location where we intend getting customers to start patronizing our products eg supermarkets and malls.
- Ensure that our bottled water is well branded and that all our staff members wear our customized clothes, and all our official cars and distribution vans are well branded.

Our Pricing Strategy

When it comes to pricing for products such as bottled watered, there are two sides to the coin. We are aware of the pricing trend in the bottled water production industry, which is why we have decided to produce various sizes of bottled water.

In view of that, our prices will conform to what is obtainable in the industry but will ensure that within the first 6 to 12 months our products are sold a little bit below the average prices of various bottled water production brands in Tanzania. We have put in place business strategies that will help us run on low profits for a period of 6 months; it is a way of encouraging people to buy into our bottled water brands.

Payment Options

At EABL Company, our payment policy is all-inclusive because we are quite aware that different people prefer different payment options as it suits them. Here are the payment options that will be available in every of our outlets;

- Payment by cash
- Payment via Point of Sale (POS) Machine
- Payment via online bank transfer (online payment portal)
- Payment via Mobile money
- Payment via cheques (for wholesale distributors)

Sustainability and Expansion Strategy

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing from a business (company), then it won't be too long before the business close shop.

One of our major goals of starting EABL Company is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to retail our bottled water and other products a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

EABL Company will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.

We will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.