LEMAR GOLDSTONE TANZANIA LIMITED

Business Plan

For

Manufacturing of Cold rooms and Freeze,

Ventilation Fan and accessories Project

PREPARED FOR

LEMAR GOLDSTONE TANZANIA LIMITED.

P.O.BOX 72318

Dar es Salaam

1.0 Industry Overview

Cold Rooms, Freeze Equipment's, Air Conditioner and Ventilation (HVAC) Market Analysis

The **Cold Rooms, Freeze Equipment's** Air Conditioner and Ventilation (HVAC) Market size is estimated at USD 188.09 billion in 2023, and is expected to reach USD 252.69 billion by 2028, growing at a CAGR of 6.08% during the forecast period (2023-2028).

The **Cold Rooms, Freeze Equipment's** Air Conditioner and Ventilation (HVAC-R)industry is expected to witness huge growth due to the soaring temperature and humidity levels across the world, along with the rising acceptance of air conditioners as utility products rather than luxury products. The emergence of technologically advanced air conditioners, such as air conditioners with inverters and air purification technologies, is further anticipated to positively influence the air conditioner market through the forecast period.

The spread of COVID-19 disrupted the market demand and global supply chain in 2020. China is one of the largest consumers and producers of air conditioner products, but it also caters to a wide range of countries by exporting several input supplies that are essentially used to produce finished goods. The shutdown of production in China has forced other air conditioner manufacturers based in the United States and Europe to temporarily hold the production of finished goods. This led to an increase in the supply and demand gap in the market.

Numerous segments within the air conditioner industry may increase in market size in the coming years, especially the market for smart air conditioners. The rising popularity of smart gadgets that can convert conventional remote-controlled air conditioners into smart devices is likely to be the primary growth driver, leading the smart air conditioner market. Improvement in housing standards is fueling the demand for room air conditioners, while packaged air conditioners are estimated to grow at a moderate rate with rising permit rates for the construction of malls, offices, and industries.

The Growing Demand for Air Conditioner and Ventilation (HVAC) Globally is Surging the Market

The planet's average temperature in July 2019 was about 1°C above the 20th-century average, according to NOAA, the United States (US) National Oceanic and Atmospheric Administration. This makes it the warmest month on record. The last five years have been the five warmest. The largest market was China, the world's single-largest producer of room air conditioners (RAC), and the greatest demand in terms of the number of ACs, with 44.63 million units. The second-largest market was Asia, excluding Japan and China, with a market demand of 17.82 million units. The third-largest market was Japan, whose demand reached 10.52 million units. North America got a market demand of 15.59 million units, followed by Europe with 6.91 million units and Latin America with 6.83 million units.

Cold Rooms, Freeze Equipment's Air Conditioner and Ventilation (HVAC) Industry Segmentation

Cold Room and Freeze Equipment's are necessities used during long and short term storage of Foods, Drugs, Chemicals and Any other materials which needs low temperature during its storage., While An air conditioner is a system or a machine that treats air in a defined, usually enclosed area via a refrigeration cycle in which warm air is removed and replaced with cooler air. A complete background analysis of the air conditioner market, including the assessment of the economy and contribution of the sectors in the economy, market overview, market size estimation for key segments and emerging trends in the market segments, market dynamics and insights, along with key health statistics, is covered in the report. The Market Is Segmented By Product Type (Window, Split and Multi Split, Packaged Air Conditioner, Variable Refrigerant Flow (VRF), and Others (Chillers and Portables), End User (Residential and Commercial), By Distribution Channel (Multi-Brand Stores, Exclusive Stores, Online, and Other Distribution Channels), and Geography (North America, South America, Europe, Asia-Pacific, and Middle-East and Africa). The report provides the market sizes and forecasts in terms of value in USD billion.

2.0 LEMAR GOLDSTONE TECHNOLOGIES COMPANY LIMITED Summary

LEMAR GOLDSTONE TANZANIA LIMITED is a company incorporated in Tanzania, the company is engaged in the manufacturing cold rooms,

Freeze equipment's and assembling of air conditioner components, fittings such as:

- Condenser Coil,
- Evaporator coil - Receives the liquid refrigerant
- Air handling unit,
- Ventilation fan,
- PI sheet for Air Conditioning
- Pu sheet for Cold-rooms
- Condensing units,
- Ducted ventilation and Air Conditioning units
- Condenser - Facilitates heat transfer
- Expansion valve - regulates refrigerant flow into the evaporator
- Compressor - A pump that pressurizes the refrigerant
- Supporting Equipment's for tools and equipment's.
- Air condition supporting Brackets.
- Fittings and supports clamps like C clamps for pipes, l clamps for Shelves, Raw Bolts,
- Plastic Water Tanks
- Centrifugal Ventilation Fans
- Axial Ventilation Fans
- Air Vents for Air Conditioning.
- Re - Packing of Refrigerants.
- Conduit pipes for Electrical installation.
- PVC Trunking and its Joints for Electrical installation
- PVC Trunking and its Joints for Air conditioning pipe Installation.

- Heat Exchangers (Condensers) For Refrigerators.

The fabricated components will suit and satisfy the diverse designs and concepts LEMAR GOLDSTONE TANZANIA LIMITED are very much dedicated to providing the highest quality workmanship, reaching the agreed delivery dates, and actualizing the custom work exactly in accordance with the customer's concept and astonishing designs.

Our focus at LEMAR GOLDSTONE TANZANIA LIMITED is to find out who our future target clients are understand our marketing strategy, and expand our operations and marketing so it can substantially increase profitability while also serving the Tanzania community.

We at LEMAR GOLDSTONE TANZANIA LIMITED plan to fabricate air conditioner components and sell them to real estate developers, air conditioner workshops, air conditioner sellers, etc.

We at LEMAR GOLDSTONE TANZANIA LIMITED plan to gain our market share in the following target markets: Dar es Salaam, Dodoma, Arusha, and Mwanza.

2.1 **Company** Ownership and Board of Directors

LEMAR GOLDSTONE TANZANIA LIMITED is promoted by Shareholders who are very experienced in the air conditioners business,

Shareholders names	% of ownership	Nationality
Mr EDWARD PETER SHAYO	60	Tanzanian
Mrs SEKUNDA THOMAS LEKUNDAYO	15	Tanzanian
EA BROTHERS CONTRACTORS CO LTD	1	Tanzanian

2.2 Project head office.

The LEMAR GOLDSTONE TANZANIA LIMITED registered office of the LEMAR GOLDSTONE TANZANIA LIMITED is located at **Plot No. 302, Block A, Tabata, Ilala District DAR ES SALAAM region**

2.3 Project location.

The LEMAR GOLDSTONE TANZANIA LIMITED will be located at Coast Region, in Kibaha Town Council, Zegereni Industrial Area plot no 210 block A

2.4 Production Capacity

LEMAR GOLDSTONE TANZANIA LIMITED is planning to produce 30,000units of air conditioner and ventilation components per month, Management intends to continue building its capacity to a level of 1,500,000.units by 2026

2.5 Unit Cost

LEMAR GOLDSTONE TANZANIA LIMITED has estimated the unit cost will be 70% of selling price

2.6 Selling Price

LEMAR GOLDSTONE TANZANIA LIMITED has estimated Average selling cost per unit starting from US$8

2.7 Project Operating Cost

LEMAR GOLDSTONE TANZANIA LIMITED has estimated that the project operating cost and other cost to be 70% of the total annual revenue

2.8 Project Financing

LEMAR GOLDSTONE TANZANIA LIMITED has estimated that the project will be financed by a long-term loan amounting to US$.3,106,159 with an interest rate of 17% repaid within 8 years and the remaining US$.500, 000.Will be shareholders' contribution and cash flows generated from business.

2.9 Project Cost

The project has budgeted to cost the following:

PARTICULAR	US$
Land and Buildings	620,000.00
Machinery & Equipment	5,500,000.00
Motor Vehicles	580,000.00
Furniture & Fixtures	95,000.00
Pre expenses	50,000.00
Others	225,000.00
Working Capital	3,500,000.00
TOTAL	**10,510,000.00**

3.0 Our Products and Services

We at LEMAR GOLDSTONE TANZANIA LIMITED primarily wield, fabricate and sell air conditioner components to targeted market in Dar es Salaam, Dodoma, Arusha, and Mwanza, Mbeya, and East Africa Countries.

3.1 Compressor:

Perhaps the most important of all air conditioner components, the compressor is the workhorse of air conditioning. For central and split systems, the compressor is located in the outdoor unit. The majority of air

conditioners energy consumption is because of the compressor, and it is generally the most expensive part of the system.

The purpose of the compressor is, as the name suggests, to compress the refrigerant, which is a warm vapor as it reached the compressor, to a hot compressed liquid. As the air conditioning process continues, this is then cooled down and expanded again to remove heat from the indoor air. More on this later in the article.

Based on the size of your air conditioner, the size of the compressor will vary. You can keep the most important AC component healthy by often checking for refrigerant leaks, preventing dirt & contamination, keeping the condenser coils cleaned, and keeping your AC well oiled.

3.2 Condenser Coil:

The opposite of the evaporator, the condenser coil, pulls away heat from the refrigerant and ejects it to the outside environment. It is located in the outdoor unit of your air conditioner.

The evaporator coil works effectively in reverse to the condenser, with a fan blowing heat away from it. If you stand outside the outdoor unit of your air conditioner, you will feel hot air blowing out from it. This is the heat that the condenser is expelling during the process when changing the refrigerant from hot vapor to a hot liquid.

3.3 Thermostat:

The thermostat maintains the temperature of an air conditioning system as it regulates the heat energy inside and outside of it. Depending on the design, a thermostat can be set manually or automatically.

3.4 Evaporator Coil:

In a mini-split air conditioner, the evaporator coil is found in the indoor unit, while in a central system, it is located in the air handler. Refrigerant, which is flowing through the system, is cooled to a low temperature just before entering the evaporator coils. As warm air from your home is drawn in your HVAC unit, it is blown over the cool evaporator coils which extract the heat and cool the air down. Fans located behind the evaporator coil then blow this cool air back inside, reducing your home temperature.

These coils are usually made out of copper but can also be made of steel or aluminum. Copper is the preferred choice because it has better thermal conductivity, is easier to work with, and is effortless to maintain.

Be sure to keep your coils clean, though, as over time, dirt and dust can build upon them and reduce their efficiency. A build-up of this dust can also block the condensation drain and result in refrigerant leaks. While it is protected by the air filter, yearly cleaning will help keep your evaporator coils in the best condition.

3.5 Air Handler and Blowing Unit:

These air conditioner components works together to draw the air to the evaporator and distribute cool air over the room. A duct system facilitates the passage of airflow in the room.

3.6 Expansion Valve

In between the condenser and evaporator, there is another little gadget called an expansion valve. As the refrigerant is now a liquid, it will be

unable to absorb the heat. In the expansion valve, the refrigerant expands into gas after facing a drop in pressure and is also rapidly cooled. This gaseous, cooled refrigerant then goes into the evaporator coils to repeat the air conditioning process

4.0 Type of Air conditioners

4.1 Central Air Conditioning:

The central conditioning is the most common type of cooling system. It's preferably used in larger homes because of its efficient cooling. The conditioning system circulates cool air through the supply and returns ducts.

The supply ducts and registers are located on the wall or floors of the house supplying the air inside. Once the air becomes warm, it circulates back into the supply ducts and registers when it will be transferred back to the air conditioner.

Installing these types of air conditioning systems requires deep thinking, planning, and preparation. The sizing is crucial to the functionality of the system, installing a system that's of the wrong size, even if efficient, the utility costs more than they should

4.2 Mini-Split Air Conditioner:

The Mini-split air conditioning system is also common but it's modified with new parts. Just like the central conditioning type, these systems have an indoor handling unit and an outdoor compressor/condenser.

These types of air conditioning systems are effective in cooling individual rooms because the system can have as many as four indoor handling units. The handling unit is connected to the outdoor unit. Also, each handling unit has its own thermostat, which allows each of them to work at a different temperature. A particular part can be cooled in the system.

4.3 Window Air Conditioner:

A window air conditioner is a compact unit, ideal for cooling one particular room. The system is also known as a "unitary unit", it's installed in the window of a room. In its working, warm air is sent out through the back of the conditioning system and blows cool air through the front part. It's perfect for those who secure small spaces and won't be perfect for larger homes as it doesn't cool effectively in such a kind of environment

4.4 Portable Air Conditioner:

These types of air conditioning systems are specified as next-generation window unit cooling systems. It takes air from the room and cools it then send it back into the room. It also vents warm air from outside, through an exhaust hose that's installed in a window.

Just like the window air conditioning units, these types of systems are also designed to cool only one room. They're affordable, versatile, and also easy to install. Its portability makes it even more ideal.

4.5 Geothermal Heating and Cooling:

Geothermal energy is sustainable, energy-efficient, and has a long lifespan. These cooling and heating processes are possible because the ground temperature always remains 55 degrees. It does not change no matter how hot or cold the temperature is. Geothermal technology extracts heat from the ground and uses it inside the house. The system contains a geothermal coil (loops or wells) installed deep into the ground; it's what cools and heats the house and then distributes it back into the ground.

4.6 Hybrid Air Conditioners:

Hybrid air conditioners are heat pump systems powered either by burning fossil fuels or electricity. Manufacturers intelligently choose a suitable source of energy in order to save money and energy.

The system works as it will normally do in the summer by pulling heat from the indoors and distribute it outdoors. It works reverse in the winter by pulling heat from the outside to discharge it into the house.

The hybrid pump system works with the second law of thermodynamics, which stated that heat gets transferred from a hot object to a cold object. So, when the refrigerant drops below the outside temperature,

the heat obtained from the outside environment is transferred to the system heat pump's coils and into the refrigerant. The extracted heat is what turns into warm, conditioned air for the room.

The first revenue stream is extremely important to us at LEMAR GOLDSTONE TANZANIA LIMITED as our bottom line is to make sure that the fabrication services we render are in continued demand despite deleterious changes in the general economy. We also believe that this revenue stream has very high margins and will make sure that the profitability of our enterprise is on a monthly basis.

We at LEMAR GOLDSTONE TANZANIA LIMITED also plan to raise revenues through the installation and maintenance of air conditioners that will be bought primarily by local contractors. We at LEMAR GOLDSTONE TANZANIA LIMITED

4.7 VENTILATION FANS-

5.0. Our Mission and Vision Statement

- Our vision at GOLDSTONETECHNOLOGIES COMPANY LIMITED is to become the recognized local leader in our targeted market for all air conditioner components fabrication, installation, and maintenance activities.
- Our mission at GOLDSTONE TECHNOLOGIES COMPANY LIMITED is to build the best quality product, supply over-the-top service at installation, and provide exceptional customer service after the sale of the product.

5.1 Our Business Structure

It is very important to note that the backbone and founder of LEMAR GOLDSTONE TANZANIA LIMITED *is Mr. EDWARD PETER SHAYO* Mrs. SEKUNDA THOMAS LEKUNDAYO is very experienced in dealing with air conditioners with more than ten years in the field. We believe that Mr. EDWARD PETER SHAYO chose these fields because of his interest in parts construction and general engineering theories and applications.

Mr. EDWARD PETER SHAYO also believed that it would be very crucial for him to have a business background for possible future applications. LEMAR GOLDSTONE TANZANIA LIMITED will be run under the management of Mr. EDWARD PETER SHAYO He will be in charge of product procurement, order-taking, customer service, and assorted other activities.

But as he moves to grow the business, by traveling to the trade shows, doing all necessary things as well as ramping up sales to accommodate the distributor sales, The Company will employ workers that will cover a wide range of services for the company. These workers include; 15 people to be employed

- Chief Executive Officer
- Service and Production Supervisor
- Operations Manager
- Sales and Marketing Executive
- Accountant
- Welding and Fabrication Engineers / Technicians
- Client Service Executive

5.2. Job Roles and Responsibilities

Chief Executive Officer

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

Service and Production Supervisor

- Serve as project manager of the organization; works directly with employees
- Develops strategic plan by studying new automobile technological, and financial opportunities; presenting assumptions; recommending objectives.
- Accomplishes subsidiary objectives by establishing plans, budgets, and results measurements; allocating resources; reviewing progress; making mid-course corrections.
- Coordinates efforts by establishing procurement, production, marketing, field, and technical services policies and practices; coordinating actions with corporate staff.

- Builds company image by collaborating with customers, government, community organizations, and employees; enforcing ethical business practices.
- Maintains quality service by establishing and enforcing organization standards.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; benchmarking state-of-the-art practices; participating in professional societies.
- Make certain that the service and production department perform efficiently, coordinate employee efforts, and facilitate communications between management and computer repairs and maintenance engineers and technicians
- Make sure s that the organization works in line with international best practices.

Operations Manager

- In charge of overseeing the smooth running of HR and administrative tasks for the organization
- Defining job positions for recruitment and managing interviewing process
- Carrying out staff induction for new team members
- In charge of training, evaluation and assessment of employees
- In charge of arranging travel, meetings and appointments
- Oversee the smooth running of the daily office and factory activities.

Sales and Marketing Manager

- Manage external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Model demographic information and analyze the volumes of transactional data generated by customer
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
- Writing winning proposal documents, negotiate fees and rates in line with organizations' policy
- In charge of handling business research, market surveys and feasibility studies for clients
- In charge of supervising implementation, advocate for the customer's needs, and communicate with clients
- Develop, execute and evaluate new plans for expanding increase sales
- Create new markets cum businesses for the organization
- Empower and motivates the sales team to meet and surpass agreed targets

Accountant / Cashier

- In charge of preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyses financial feasibility for the most complex

proposed projects; conducts market research to forecast trends and business conditions.

- In charge of financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting for one or more properties.
- In charge of developing and managing financial systems and policies
- In charge of administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the business
- Serves as internal auditor for the business

Welding and Fabrication Engineers and Technicians

- In charge of developing welding and fabrication techniques, procedures, and application of welding equipment to problems involving fabrication of metals, utilizing knowledge of production specifications, properties and characteristics of metals and metal alloys, and engineering principles: Conducts research and development investigations to develop and test new fabrication processes and procedures, improve existing or develop new welding equipment, develop new or modify current welding methods, techniques, and procedures, discover new patterns of welding phenomena, or to correlate and substantiate hypotheses.
- Tasked with preparing technical reports as result of research and development and preventive maintenance investigations.
- Builds welding procedures to guide production and welding personnel relating to specification restrictions, material processes, pre- and post-heating requirements which involve use of complex alloys, unusual

fabrication methods, welding of critical joints, and complex post heating requirements.

- In charge of evaluating new developments in welding field for possible application to current welding problems or production processes.
- Responsible for directing and coordinating technical personnel in performing inspections to ensure workers' compliance with established welding procedures, restrictions, and standards; in testing welds for conformance with national code requirements; or testing welding personnel for certification.
- In charge of contacting personnel of other agencies, engineering personnel or clients to exchange ideas, information, or offer technical advice concerning welding matters.
- May perform experimental welding to evaluate new equipment, techniques, and materials.

Client Service Executive

- Welcomes clients and potential clients by greeting them in person or on the telephone; answering or directing inquiries.
- Make sure s that all contacts with clients (e-mail, walk-In Centre, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services
- Serves as a auto parts sell attendant
- Manages administrative duties assigned by the creative director in an effective and timely manner

- Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to Make sure accurate and helpful information is supplied to clients when they make enquiries

LEMAR GOLDSTONE TANZANIA LIMITED in summary 12 people to be employed by the company as direct while 15 indirectly

6.0 SWOT Analysis

We at LEMAR GOLDSTONE TANZANIA LIMITED believe will have the plan and capabilities to take over the fabrication of air conditioner components industry. We hope to build and maintain an extensive shop which can handle all welding and fabrication issues. We have adequate plans to make our business the best in the industry, which is why we contacted reputable Consultants to do our SWOT Analysis for us.

DEINOS Consultants are known for the experience and agility they possess in terms of business consulting and analysis.

They were very thorough with their dealings and outlined below is a summary of the SWOT Analysis they conducted for us. The following SWOT analysis captures the key strengths and weaknesses within our company and describes the opportunities and threats facing us at SW.

Strengths

- Outstanding reputation.
- Quality – we at LEMAR GOLDSTONE TANZANIA LIMITED will guarantee all of our work, using the highest quality materials available and the most experienced fabricator available.

- Customer Care – we at LEMAR GOLDSTONE TANZANIA LIMITED will go extra time to make sure the customer is satisfied with the service provided.
- Experience – Over 10 years in the construction business, Mr. Omar Maneno. is a talented, experienced fabricator, with a strong work ethic.

Weaknesses

- Our weaknesses at LEMAR GOLDSTONE TANZANIA LIMITED come from the lack of funding to grow the business. Shareholder equity will be used to purchase equipment, company expansion, create a website, advertise, and hire an employee.

Opportunities

- Growing market with a significant percentage of our target market still not knowing we exist.
- Strategic alliances offering sources for referrals and joint marketing activities to extend our reach.
- Increasing sales opportunities beyond mentioned regions to include the many other regions.

Threats

- The only obstacle to our success at LEMAR GOLDSTONE TANZANIA LIMITED would be further downswings in Tanzania's economy.

7.0 MARKET ANALYSIS

- **Market Trend**

After due research, it is believed that semiautomatic fabricating machines will greatly increase, machine and automatic fabricating machines will increase modestly, but manual fabrication is decreasing at least as a percentage of the total. Furthermore, it is now evident that the following must be considered with regard to the future of fabrication:

- There will be continuing need to reduce manufacturing costs and to improve productivity, since wage rates for the people in manufacturing industries will keep on increasing, the cost of raw materials will also continue to be more expensive, and energy and fuel costs will increase and shortages may occur.
- Also there will be a continuing trend towards the use of higher-strength materials, particularly in the steels and lighter-weight materials.
- There will be more use of welding by manufacturing industries, probably decreasing the use of castings.
- There will be a trend towards higher levels of reliability and higher-quality requirements.
- The trend towards automatic welding and automation in welding will accelerate.

Productivity in this very industry is considered the amount of welding that can be done by a welder in a day. Productivity can be determined by several factors, the most important of which is the operator factor or duty cycle. The operator factor for a welder is the number of minutes per eight-hour period that is spent actually welding.

The different methods of fabrication have different average duty cycles. Manual fabrication has the lowest operator factor with semiautomatic fabrication approximately double

Efforts will be made to utilize those processes that have the highest duty cycles. The expected trend will be away from manual welding towards semiautomatic welding and to machine or automatic welding when possible.

Another factor affecting productivity of welders relates to the deposition rate of the welding process. The higher current processes have the highest deposition rates, thus the submerged arc welding process and the electro-slag welding process will remain important as costs must be reduced.

8.0 Our Target Market

We at LEMAR GOLDSTONE TANZANIA LIMITED hope to focus on our ability to complete any project with the required equipment by having all the necessary tools.

LEMAR GOLDSTONE TANZANIA LIMITED market segmentation scheme is fairly straightforward and focuses on the target markets of the mentioned

We also understand that our prospective customers will prefer a certain quality of work and timeliness and it is our duty at LEMAR GOLDSTONE TANZANIA LIMITED to deliver on their expectations. We at LEMAR GOLDSTONE TANZANIA LIMITED know that there will always be a need for fabrication companies.

We understand that the customers within the fabrication industry want exceptional workmanship and affordable rates. We believe that our prospective customers will appreciate the quality service that we are hoping to offer, as well as the knowledge and experience of our owner.

We believe that these customers have the option to go elsewhere, but they understand that giving their business to LEMAR GOLDSTONE TANZANIA LIMITED will be of more advantage to them because we at LEMAR GOLDSTONE TANZANIA LIMITED deliver the dedication that they desire. We know fabrication is seasonal but aggressive marketing efforts could expand company operations and reach many more markets

9.0 Our competitive advantage

It is a known fact that fabrication will continue to be a highly efficient and economical method for maintaining structural integrity when joining metals and non-metals, including plastics and composites. We also believe that the fabrication industry will continue to maintain a strong reputation for producing reliable and cost-effective components in the global market.

We have also noted after extensive research that the industry due to a growing need for fabricated components and a decline in skilled workforce is focused on continual design advancements in fabrication machines to further enhance efficiency.

The competition in this industry is becoming heavy and unbelievable, which is why we are making all plans efficiently to make sure we take over the market.

We at LEMAR GOLDSTONE TANZANIA LIMITED have a strong competitive edge in the industry due to the many fabrication services we hope to offer. We hope that by building a business based on satisfying clients, LEMAR GOLDSTONE TANZANIA LIMITED simultaneously builds defenses against competition. We at LEMAR GOLDSTONE TANZANIA LIMITED plan to continue helping clients understand what we offer them and why they need it.

We at LEMAR GOLDSTONE TANZANIA LIMITED also plan to become a leading provider of fabrication services in the local area. We believe that to achieve this, we have to invest in many ways that will pay off in competitive advantages for our customers, by pre-job conferencing upon request and assisting in the technical or conceptual design.

10.0 Publicity and Advertising Strategy

We at LEMAR GOLDSTONE TANZANIA LIMITED plan to use email marketing campaigns as an outreach to our prospective customers. We all know that technology that incorporates video with email and offers very powerful, robust and dynamic features. Another advantage is in communicating through the use of streaming video embedded within the email.

We at LEMAR GOLDSTONE TANZANIA LIMITED believe that the use of this technology will give us a strong competitive edge and outreach to the community. We at LEMAR GOLDSTONE TANZANIA LIMITED are also planning to incorporate an email drip campaign with video into our marketing efforts.

We believe that this technology will more effectively market to our customer and potential customer base. We understand that it is cost effective

We believe that the built-in analytics provide immediate feedback as to the campaigns effectiveness and who actually viewed the message. We also hope that the Auto responders with a specific message can be utilized as an immediate follow-up tool.

It is important to note that we at LEMAR GOLDSTONE TANZANIA LIMITED hope that this new email marketing campaign technology will serve to position us to achieve and sustain name recognition in front of our current market within the local community.

We believe that this type of marketing is cost-effective and efficient. The first thing most of us do every day is check our email inbox. It is also worthwhile to state that we at LEMAR GOLDSTONE TANZANIA LIMITED are unaware of our competitors incorporating this technology within their operations.

11.0 Our Pricing Strategy

We at LEMAR GOLDSTONE TANZANIA LIMITED know that we are in a purely competitive industry where each business must be a price taker. This means that a business that has no ability to affect the market price of its services, regardless of how much work it does is destined for a meltdown.

Therefore, putting it, that marginal revenue (the revenue incurred by producing or servicing one more unit) is equal to the price charged. Furthermore, because the demand curve is essentially horizontal, we at

LEMAR GOLDSTONE TANZANIA LIMITED plan to at total capacity without affecting the price in the market.

This means that we at LEMAR GOLDSTONE TANZANIA LIMITED must strive or look to charge our clients at the market price (or lower). We believe that the price we charge will depend on the workload and duration of the said work, and we understand that as long as marginal costs do not surpass revenues, the method to increase short-run profits is to service automobiles at maximum capacity.

12.0 Sustainability and Expansion Strategy

We at LEMAR GOLDSTONE TANZANIA LIMITED understand that our business being medium in nature requires a simple organizational structure. We believe that the implementation of this organizational form calls for Mr. Daudi Shayo. to make all of the major management decisions in addition to monitoring all other business activities.

Mr. Daudi Shayo. started working in the metal fabrication industry for more than 10 years and now brings over 10 years of experience to the success of the Company. Our management philosophy at LEMAR GOLDSTONE TANZANIA LIMITED is based on responsibility and mutual respect.

We believe that LEMAR GOLDSTONE TANZANIA LIMITED will maintain an environment and structure that will bring about productivity and respect for customers and fellow employees. At GOLDSTONE TECHNOLOGIES COMPANY LIMITED, everybody is considered as an individual and we

strive to the very last point to respect their dignity and recognize their merit.

We believe that our employees will be encouraged to have a sense of security and pride in their jobs. We will also afford equal opportunity for employment, development, and advancement for those qualified. Our employees at LEMAR GOLDSTONE TANZANIA LIMITED will be committed to:

- Afford a safe work environment to protect employees, the employees of customers and subcontractors, and the public.
- We will also supply safe products for customers.
- We will also without setbacks keep on improving the company's safety program to reduce the risk of accidents and occupational illness in a changing work environment.
- We will advice our employees to participate in accident prevention programs and take personal responsibility for their own and their co-workers' health and safety.
- Regulatory compliance and contribution to high safety standards for our industry.
- Monitoring workplaces, enforcing safe work practices, and communicating the company's safety performance to employees and other stakeholders.

13.0 FINANCIAL ASPECTS OF THE PROJECT

(i) Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 8-years period. The position depicted is that the project earns profit throughout its life. Accumulated after-tax profits grow from.**US$261,942**inthe 1st year to **US$ 1,338,464.68** in the year 8.

(ii) Projected Cash Flows

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US$1,255,851** in the first year to **US$12,474,762** at the end of 8thyear.

(iii) Projected Balance Sheet

The project's assets and cash flows are shown in Appendix III. Owners' equity grows from US**$761,942**in the first year to

US$31,330,684 at the end of 8th year of the project's operations based.

(iv) Payback Period

Total investment is USUS**10,570,000,**cash/profit accumulation to5th year is **US$ 11,274,597**, which is more than the initial investment by **US$ 704,597.** The project payback Period is then exactly 5 years. The project has a relatively short payback period.

(v) Loan repayment

The total investment loan is **US$3,106,159** to be repaid within 8 Years with interest of 17% annually.

9.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

(i) Employment Opportunities

Employment and poverty reduction are among the major concerns of the Central and Local Government authorities. It is gratifying to note that the company is going to provide additional employment to 30 people. This is a significant contribution coming from local investors.

(ii) Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

10.0 CONCLUSION

(i) The project is profitable and contributes to government revenue by way of taxes.

(ii) The project provides employment to 30 people.

(iii) The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

11.0 RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania

Revenue Authority, TRA, and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability,

Since it is technically feasible, economically viable, and socially acceptable.

LEMAR GOLDSTONE TANZANIA LIMITEDPROJECTED INCOME & EXPENDITURE STATEMENT (US$)								Appendix I
	1	2	3	4	5	6	7	8
Revenue	5,760,000	8,640,000	11,404,800	16,194,816	19,757,676	21,733,443	23,906,787	26,297,466
Cost of sales	(3,168,000)	(4,752,000)	(6,272,640)	(8,907,149)	(10,866,722)	(11,953,394)	(13,148,733)	(14,463,606)
Gross profit	**2,592,000**	**3,888,000**	**5,132,160**	**7,287,667**	**8,890,954**	**9,780,049**	**10,758,054**	**11,833,860**
Other Operating Expenses	(1,536,000)	(1,612,800)	(1,693,440)	(1,778,112)	(1,867,018)	(1,867,018)	(1,867,018)	(1,867,018)
Depreciation	(153,750)	(165,625)	(184,688)	(184,688)	(184,688)	(184,688)	(184,688)	(184,688)
Profit Before Interest and Tax	**902,250**	**2,109,575**	**3,254,033**	**5,324,868**	**6,839,249**	**7,728,344**	**8,706,349**	**9,782,155**
Interest	(528,047)	(528,047)	(528,047)	(422,438)	(316,828)	(211,219)	(105,609)	(105,609)
Profit before tax	**374,203**	**1,581,528**	**2,725,985**	**4,902,430**	**6,522,421**	**7,517,125**	**8,600,740**	**9,676,545**
Corporate Tax (30%)	(112,261)	(474,458)	(817,796)	(1,470,729)	(1,956,726)	(2,255,138)	(2,580,222)	(2,902,964)
Profit After Tax	261,942	1,107,070	1,908,190	3,431,701	4,565,694	5,261,988	6,020,518	6,773,582
Accumulated Profit	261,942	1,369,012	3,277,201	6,708,903	11,274,597	16,536,585	22,557,103	29,330,684

Appendix II

LEMAR GOLDSTONE TANZANIA LIMITEDPROJECTED CASH FLOWS STATEMENT US$

SOURCES OF FUND:	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Profit before interest and tax (Add Depr)	1,056,000	2,275,200	3,438,720	5,509,555	7,023,936	7,913,032	8,891,037	9,966,842
Equity	500,000	500,000	500,000	500,000				
Directors loan			600,000					
Cash from previous year surplus		1,255,851	90,746	112,683	544,728	1,329,360	4,287,786	8,004,742
Loan	3,106,159							
Total Sources	**4,662,159**	**4,031,051**	**4,629,466**	**6,122,238**	**7,568,664**	**9,242,392**	**13,178,823**	**17,971,584**
Applications:								
Capital expenditure	(1,230,000)	(1,325,000)	(1,477,500)	(1,285,000)	(1,477,500)	-	-	-
working Capital & Others	(1,536,000)	(1,612,800)	(1,693,440)	(1,778,112)	(1,867,018)	(1,867,018)	(1,867,018)	(1,867,018)
Loan repayments				(621,232)	(621,232)	(621,232)	(621,232)	(621,232)
Interest expenses	(528,047)	(528,047)	(528,047)	(422,438)	(316,828)	(211,219)	(105,609)	(105,609)
Corporate taxes	(112,261)	(474,458)	(817,796)	(1,470,729)	(1,956,726)	(2,255,138)	(2,580,222)	(2,902,964)
Total applications	**(3,406,308)**	**(3,940,305)**	**(4,516,783)**	**(5,577,510)**	**(6,239,304)**	**(4,954,606)**	**(5,174,081)**	**(5,496,822)**
Cash balance	**1,255,851**	**90,746**	**112,683**	**544,728**	**1,329,360**	**4,287,786**	**8,004,742**	**12,474,762**

Appendix III

LEMAR GOLDSTONE TANZANIA LIMITEDPROJECTED BALANCE SHEET US$

Fixed Assets	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Opening balance	**-**	**1,076,250**	**2,235,625**	**3,528,438**	**4,628,750**	**5,921,563**	**5,736,875**	**5,552,188**
Additions	1,230,000	1,325,000	1,477,500	1,285,000	1,477,500	-	-	-
Total Long-term Assets	**1,230,000**	**2,401,250**	**3,713,125**	**4,813,438**	**6,106,250**	**5,921,563**	**5,736,875**	**5,552,188**
Less depreciation	(153,750)	(165,625)	(184,688)	(184,688)	(184,688)	(184,688)	(184,688)	(184,688)
Closing balance	**1,076,250**	**2,235,625**	**3,528,438**	**4,628,750**	**5,921,563**	**5,736,875**	**5,552,188**	**5,367,500**
Working capital	1,536,000	3,148,800	4,242,240	6,020,352	7,887,370	9,754,387	11,621,405	13,488,422
Accumulated cash	1,255,851	90,746	112,683	544,728	1,329,360	4,287,786	8,004,742	12,474,762
Total assets	**3,868,101**	**5,475,171**	**7,883,360**	**11,193,830**	**15,138,292**	**19,779,048**	**25,178,335**	**31,330,684**
Financed by								
Equity	500,000	1,000,000	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Accumulated profit	261,942	1,369,012	3,277,201	6,708,903	11,274,597	16,536,585	22,557,103	29,330,684
Total equity	**761,942**	**2,369,012**	**4,777,201**	**8,708,903**	**13,274,597**	**18,536,585**	**24,557,103**	**31,330,684**
Bank Loan	3,106,159	3,106,159	3,106,159	2,484,927	1,863,695	1,242,464	621,232	-
Total debts	**3,106,159**	**3,106,159**	**3,106,159**	**2,484,927**	**1,863,695**	**1,242,464**	**621,232**	**-**
Total equity and debts	**3,868,101**	**5,475,171**	**7,883,360**	**11,193,830**	**15,138,292**	**19,779,048**	**25,178,335**	**31,330,684**

Appendix IV

LEMAR GOLDSTONE TANZANIA LIMITEDPROJECTED INVESTMENT COST US$

PARTICULAR	**US$**
Land and Buildings	620,000.00
Machinery & Equipment	5,500,000.00
Motor Vehicles	580,000.00
Furniture & Fixtures	95,000.00
Pre expenses	50,000.00
Others	225,000.00
Working Capital	3,500,000.00
TOTAL	**10,510,000.00**

PARTICULAR	**US$**				
	1	2	3	4	5
Land and Buildings	280,000	150,000	40,000	110,000	40,000
Machinery & Equipment	745,000	1,000,000	1,377,500	1,000,000	1,377,500
Motor Vehicles	180,000	150,000	50,000	150,000	50,000
Furniture & Fixtures	25,000	25,000	10,000	25,000	10,000
Pre expenses	30,000	5,000	5,000	5,000	5,000
Others	95,000	50,000	15,000	50,000	15,000
Working Capital	950,000	750,000	525,000	750,000	525,000
TOTAL	**2,305,000**	**2,130,000**	**2,022,500**	**2,090,000**	**2,022,500**

Appendix Vii

LEMAR GOLDSTONE TANZANIA LIMITED PROJECTED PAYBACK PERIOD US$

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	261,942	153,750	415,692	415,692
2	1,107,070	165,625	1,272,695	1,688,387
3	1,908,190	184,688	2,092,877	3,781,264
4	3,431,701	184,688	3,616,389	7,397,653
5	4,565,694	184,688	4,750,382	12,148,035
6	5,261,988	184,688	5,446,675	17,594,710
7	6,020,518	184,688	6,205,205	23,799,915
8	6,773,582	184,688	6,958,269	30,758,184