

HUA LOONG AFRICA LIMITED

BUSINESS PLAN FOR SELLING OF SHOES

1.0 EXECUTIVE SUMMARY.

HUA LOONG AFRICA LIMITED is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation 173427786 issued on 27 March 2024.

The proposed business plan of selling of shoes.

The proposed new project shall cost USD 506,000 and creating new employment of 15 local people and foreign people 5.

1.1 LEGAL STATUS AND COMPANY BACK GROUND

HUA LOONG AFRICA LIMITED bears the certificate No.173427786 issued in by BRELA.

The shareholders of **HUA LOONG AFRICA LIMITED** , the shareholders of this newly formed company are **MENG WANG** and **PASCAL JOSEPH CHUWA**

The company is owned by two shareholders, namely: -

Name	Number of Shares	Nationality
MENG WANG	51	CHINESE
PASCAL JOSEPH CHUWA	49	TANZANIAN

1.2 LOCATION.

Plot No.27,Warehouse No 4,Kisemvule ,Mkuranga,Pwani Tanzania.

1.3 MISSION

Prompt and professionally high-quality service delivery to customers, aimed at ensuring that they realize the highest value for money, thereby increasing the market share and seizure of every available opportunity for the company's growth.

1.4 Core Values

Service provision with commitment, integrity and creativity while treating each customer as if they were the company's only customer

1.5 BANKERS

The company is currently maintaining bank account of the following bank.

NMB BANK

1.6 AUDITED REPORTS

HUA LOONG AFRICA LIMITED will maintain good financial reports which will be audited by reputable auditor firm.

2.0 BASIS OF THE BUSINESS PLAN

The company aims at producing the 200 thousand pairs a year on which they aim at selling each pair 2,500 shillings.

2.1 Study Objectives:

Business Overview and Objectives:

Our shoe-selling company aims to capitalize on the growing demand for diverse and quality footwear in Tanzania. With a focus on both urban and rural markets, we plan to offer a wide range of products, from affordable everyday shoes to premium, fashion-forward options. Our mission is to provide stylish, durable, and comfortable footwear that meets the evolving preferences of Tanzanian consumers while building a strong brand presence in both physical and online retail spaces. Our primary objectives include capturing a significant market share, establishing a robust distribution network, and achieving profitability within the first three years of operation.

Market Analysis and Strategy:

Tanzania's footwear market presents substantial opportunities driven by urban growth, an expanding middle class, and increasing consumer spending power. Our market analysis highlights the demand for both locally manufactured and international branded shoes, particularly among the youthful and fashion-conscious demographic. To tap into this potential, we will leverage a multi-channel sales strategy, including a physical retail presence in key urban areas and a comprehensive e-commerce platform to reach a broader audience. Our marketing strategy will focus on targeted digital campaigns, partnerships with local influencers, and community engagement to build brand awareness and drive sales.

Operational Plan and Financial Projections:

Our operational plan includes setting up a flagship retail store in Dar es Salaam and establishing efficient supply chain logistics to manage inventory and distribution. We will source high-quality materials locally and internationally, ensuring a diverse product range that caters to various customer needs. Financial projections indicate a break-even point within the first 18 months, with steady revenue growth anticipated as brand recognition and market penetration increase. Initial funding requirements will cover startup costs, including inventory, store setup, and marketing, with projected profitability driven by strategic pricing, cost management, and effective sales strategies.

2.2 Study Approach:

- a) Participatory: Semi- structured interview and discussion were held with the Company's Directors, stakeholders in packaging works and related businesses
- b) Physical visits to the company's main business premises
- c) A brief market survey on selling of shoes in Tanzania, Characteristics of demand and the general market structure of selling of shoes, competition among suppliers and producers in the market.
- d) Conduction of profitability/viability test of the investment, using the appropriate financial projections for the initial period of five years proposed for the business operations.

3.0 THE PROJECT

3.1 Project Concept

The project involve selling of shoes;

3.2 Project planned business project will entail the following main activities:

A) Market Research and Analysis

Identify Target Market: Understand who your ideal customers are, including their demographics, preferences, and purchasing behaviors.

Analyze Market Trends: Study current trends in the footwear industry, including popular styles, materials, and technological innovations.

Competitive Analysis: Examine competitors, their product offerings, pricing strategies, market positioning, and strengths and weaknesses.

B)Product Selection and Inventory Management

Product Range: Determine which types of shoes to offer (e.g., athletic, formal, casual) based on market demand and trends.
Sourcing and Suppliers: Research potential suppliers and manufacturers, considering factors like cost, quality, and reliability.
Inventory Control: Develop strategies for managing inventory levels, including forecasting demand and reducing excess stock.

C)Sales and Marketing Strategy

Marketing Plan: Create a plan to promote your products, including online and offline channels, social media, and advertising strategies.

Sales Channels: Decide on the sales channels to use (e.g., brick-and-mortar stores, e-commerce platforms, wholesale).

Pricing Strategy: Develop pricing strategies that balance profitability with customer appeal.

D)Financial Projections and Management

Revenue Forecasting: Project future sales based on market research and historical data.

Cost Analysis: Analyze the costs associated with purchasing inventory, operating expenses, and marketing.

Profitability Analysis: Estimate profit margins and break-even points to understand financial viability.

E)Operational Plan

Supply Chain Management: Plan how you will manage the supply chain, including procurement, warehousing, and distribution.

Staffing Requirements: Determine staffing needs for various roles (e.g., sales associates, inventory managers) and recruitment strategies.

Customer Service: Develop a customer service strategy to enhance the shopping experience and handle inquiries or complaints.

3.3 Project Objectives

3.2.1 Development Objectives:

HUA LOONG AFRICA LIMITED aims at playing a significant role in the participation of the company in the efforts to maximize exploitation of the largely existing business potential in manufacturing industry.

3.2.2 Immediate Objectives:

Market Penetration and Brand Establishment:

The primary objective of selling shoes in Tanzania is to establish a strong market presence and build a recognizable brand. By leveraging the growing urbanization and expanding middle class, our goal is to capture a significant share of the footwear market in key cities such as Dar es Salaam, Arusha, and Mwanza. We aim to differentiate our brand through a diverse product range that caters to various consumer preferences, from budget-friendly options to high-end fashion pieces. Our strategy includes creating a compelling brand identity and engaging marketing campaigns to foster brand loyalty and drive customer acquisition.

Customer Satisfaction and Market Adaptation:

Another key objective is to achieve high levels of customer satisfaction by offering quality footwear that meets the needs and preferences of Tanzanian consumers. We will focus on understanding local trends and demands through market research and direct customer feedback, enabling us to adapt our product offerings accordingly. Providing excellent customer service, including convenient shopping experiences both online and offline, will be crucial in building long-term relationships with our customers. Ensuring product durability, comfort, and style will help us establish a reputation for reliability and customer-centricity aging marketing campaigns to foster brand loyalty and drive customer acquisition.

Sustainable Growth and Operational Efficiency:

Long-term objectives include achieving sustainable business growth and maintaining operational efficiency. This involves scaling our operations through strategic expansion, such as opening additional retail locations and enhancing our e-commerce platform to reach a broader audience. We will invest in efficient supply chain management and local manufacturing to reduce costs and support community development. Financially, we aim to reach profitability within the first three years, with a focus

on achieving steady revenue growth and managing operational costs effectively. Sustainable practices and continuous improvement will be key to our long-term success and resilience in the competitive footwear market.

4.0 Overview of the manufacturing mattress in Tanzania

4.1 The economy

Tanzania is one of the fastest growing economies in Africa, thanks to the sustained economic reforms which are being undertaken since the late 1980's.

The country's economy has been constantly growing since mid- 1990 by average of 5.9%, and now growing at average of 7% which make Tanzania economy to be among the fastest growing economy in Africa and world at large. The overall vision is to transform the sector of the economy from the present level of per capital GDP of about US\$867 to medium developed country with an average per capital GDP of around US\$2,500 (National Development Vision 2025), the GDP from manufacturing 926,333TZSmillion.

4.1.1 Selling of shoes industry

Selling shoes in Tanzania presents a promising opportunity due to the country's rapid urbanization, expanding middle class, and growing consumer demand for diverse and stylish footwear. With cities like Dar es Salaam and Arusha experiencing significant population growth, there is an increasing need for a range of footwear options that cater to various tastes and budgets. The burgeoning middle class and youthful demographic are driving demand for both affordable everyday shoes and high-end fashion brands. Leveraging a multi-channel approach, including physical retail stores and a robust e-commerce platform, can effectively capture this market potential. Additionally, focusing on quality, comfort, and local preferences, alongside innovative marketing strategies, will be crucial in establishing a strong brand presence and achieving success in Tanzania's competitive footwear market.

HUA LONG LIMITED is poised to exploit to the maximum, the anticipated development in this Sector for its own enhanced growth.

5.0 BUSINESS ENVIRONMENT ANALYSIS;

5.1 Internal Approach;

5.1.1 Management:

HUA LOONG AFRICA LIMITED as a corporate entity is managed under the Board of Directors. Day to day management of its conducted under the company's Managing Director who will be assisted by directors, Managers, senior officers etc.

5.2 External Environment:

5.2.1 The market:

HUA LOONG AFRICA LIMITED policy aim at two objectives:

- further penetration/ entrenchment into the market's main segments to increase and retain a larger market share
- Early investment cost recovery to enhance economic viability Of the company's business and expedite its growth.

The policy will be hinged on continual conduction of market surveys asa way of establishing current market situations and also as the means of enabling the company to develop marketing strategies which will facilitate achievement of set out sales goals, on monthly and annual basis. Surveys will enable the company to identify the potential market for its products and plan strategies for its penetration.

The shoe selling market situation in the country is characterized by about 70% of the demand being supplied by internal manufacturers, while the remaining 30% is supplied by imports.

The market surveys conducted during feasibility study for this project established that, demand for mattress in the country is growing with each passing year.

5.2.1.1 Market potential

The market potential for selling shoes in Tanzania is robust, fueled by rapid urbanization, a growing middle class, and a youthful population with a strong inclination toward fashion and trends. As cities expand and disposable incomes rise, there is increasing demand for a wide range of footwear, from everyday casuals to high-end brands. The surge in digital connectivity also opens up significant opportunities through e-commerce, allowing access to a broader audience, including those in rural areas. Additionally, the potential for local manufacturing and the growing interest in sustainable products further enhance market prospects. However, navigating this promising landscape requires addressing competitive pressures and infrastructural challenges, but the overall outlook remains highly favorable for businesses in the footwear sector.

5.2.1.2 Competition:

HUA LOONG AFRICA LIMITED is expecting to face competition from existing shoe selling industries which controls a sizeable market share of products in Tanzania, the company plan to increase market share by investing in a new and bigger production.

6.0 PROJECT OPERATING COSTS

In order to realize its intended objective, the project operating costs will vary based on total revenue.

7.0 REVENUE ASSUMPTIONS

- For the purpose of this project all revenue will come from production at the factory
- The annual revenue to grow by different percentages depending on market demand annually

CONCLUSION AND RECOMMENDATION

8.0 Conclusion

The project is viable and profitable throughout the project period, after the foregoing economic and financial evaluation of the project; we strongly recommend that **HUA LOONG AFRICA LIMITED** Board of Directors approval and accept the business proposal. The new project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable

HUA LOONG AFRICA LIMITED
PROFIT AND LOSS OF HUA LOONG FROM 2024 TO 2028
PROJECTED SUMMARRY FOR 5 YEARS FROM 2024 - 2028

	2024	2025	2026	2027	2028
DETAILS					
CURRENCY	USD	USD	USD	USD	USD
SALES	800,000	800,200	830,000	980,000	990,000
TOTAL INFLOW	800,000	808,000	830,000	980,000	990,000
COST OF SALES					
Opening Inventory	0	204,407	384,084	495,000	498,000
Add: Production Cost	597,549	590,538	540,700	580,980	582,000
Less: Closing Inventory	-204,407	-384,084	-495,000	-498,000	-500,000
	393,142	410,861	429,784	577,980	580,000
GROSS PROFIT	406,858	397,139	400,216	402,020	410,000
OPERATING EXPENSES					
Adminstration Expenses	120,000	100,267	100,313	100,000	107,900
Sales and Distribution Expenses	90,000	90,100	90,200	90,800	107,000
Finance Cost	50,210	50,130	50,227	50,112	50,014
Depreciation Expense	20,000	20,160	20,127	19,102	19,484
-	0	0	0	0	0
TOTAL OPERATING EXPENSES	280,210	260,657	260,867	260,014	284,398
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PROFIT FOR THE YEAR	126,648	136,482	139,349	142,006	214,560

HUA LOONG AFRICA LIMITED
FINANCIAL POSITION FROM 2024 TO 2028
PROJECTED SUMMARY OF FINANCIAL STATEMENT FOR 5 YEARS FROM 2024 - 2028

	2024	2025	2026	2027	2028
DETAILS					
CURRENCY	USD	USD	USD	USD	USD
ASSETS					
NON-CURRENT ASSETS					
PPE	73,000	74,100	76,000	77,000	80,000
TOTAL NON-CURRENT ASSET	73,000	74,100	76,000	77,000	80,000
CURRENT ASSET					
Inventory	204,407	384,084	495,000	498,000	500,000
Trade Receivables	120,000	90,500	50,000	50,800	50,900
Working Capital	100,000	100,000	100,000	100,000	100,000
Cash and Cash Equivalent	30,000	30,600	30,800	36,900	37,000
TOTAL CURRENT ASSET	454,407	605,184	675,800	685,700	687,900
TOTAL ASSETS	527,407	679,284	751,800	762,700	767,900
EQUITY AND LIABILITIES					
EQUITY					
Share Capital	300,000	300,000	300,000	300,000	300,000
Retained Earnings	60,000	82,455	99,260	99,900	99,990
TOTAL EQUITY	360,000	382,455	399,260	399,900	399,990
LIABILITIES					
Trade Payables	66,382	97,800	152,540	162,000	167,910
Other Payables	101,025	199,029	200,000	200,800	200,000
TOTAL LIABILITIES	167,407	296,829	352,540	362,800	367,910
TOTAL EQUITY AND LIABILITIES	527,407	679,284	751,800	762,700	767,900

