

**BUSINESS PLAN**

**FOR**

**MANUFACTURING ,TRANSPORTING AND SELLING**

**OF**

**HOUSEHOLD APPLIANCES**

**AND**

**ELECTRICAL APPLIANCES SPARE PARTS**

## Executive Summary

**POACOLL TECH COMPANY LIMITED** a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No. 182489255 issued on 21<sup>st</sup> May 2024.

The proposed business plan is of Manufacturing of electrical appliances spare parts at **Region: Dar es salaam, District kigamboni, Kilimanjaro industry park , kisarawe II.**

The proposed new project shall cost US\$ 1m and creating new employment of 50 local people and 5 foreign people.

## LEGAL STATUS AND COMPANY BACKGROUND BRIEF

**POACOLL TECH COMPANY LIMITED** bears the certificate No. 182489255 issued in 2002 by BRELA.

The shareholders of **POACALL TECH COMPANY LIMITED**, the shareholders of this newly formed company are , SHANDONG RONGSHENG ENERGETIC SAVING TECHNOLOGY CO. LTD { ZHANG HUI } and ZHANG YONGCHUN { CHINA, PEOPLE'S REPUBLIC OF, ZHEJIANG, WENLING, RUOHENG, DONGPU, }

The company is owned by three shareholders,namely:-

<b>Name</b>	<b>%of Shares</b>	<b>Nationality</b>
SHANDONG RONGSHENG ENERGY SAVING TECHNOLOGY CO. LTD	60	China
ZHANG YONGCHUN CHINA, PEOPLE'S REPUBLIC OF, ZHEJIANG, WENLING, RUOHENG, DONGPU,	40	China

## LOCATION.

The new project is located at **Rigion: Dar es salaam,**  
**District :kigamboni, street Kilimanjaro industry park, kisarawe II**

## 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.

## Core Values

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

## BANKERS

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

NMB BANK

## AUDITED REPORTS

**POACOLL TECH COMPANY LIMITED** will maintain good financial reports which will be audited by reputable auditor firm

## BASIS OF THE BUSINESS PLAN

A study based on rapid appraisal surveys was conducted prior to, and as the basis of preparation of this plan, the surveys were based on the following objectives and approach:

### Study Objectives:

- a) To analyze the relevant market and other factors impacting up on the supply and demand of household appliances and electronics production.
- b) To carry on the business of house hold appliances.
- c) TO carry on the business of consumer electronics
- d) Design and installation services for comprehensive product technical solution, local production and assembly of household appliances.
- e) To provide supporting documentation required for manufacturing of domestic appliances at Dar es salaam, Kisarawe II ,and also in accessing credit facilities required in the financing of the investment capital.

### 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 household appliances industries in Tanzania and r electronics production, Characteristics of demand and the general market structure of domestic appliances products, 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.

# THE PROJECT

## Project Concept

The project involves establishing a new MANUFACTURING OF ELECTRICAL APPLIANCES SPARE PARTS; this will include construction of and installations of modern machines, purchasing vehicles, new generator etc.

The planned production capacity is 1000 metric tons per year.

Project planned business project will entail the following main activities:

- Making shopping visit to Tanzania, China and other supplier countries to identify the suitable and appropriate machinery for the planned project.
- Ordering of the material for production, machinery, motor vehicles and their assorted and equipment from China and other overseas suppliers and entering into agreements for the purchase/ acquisition of those assets.
- Consigning the purchased machinery and motor vehicles including all the equipment and accessories from countries of their origin to Tanzania
- Clearing of all the purchased goods from the ports of entry and transporting them to the company's premises in Dar es salaam
- Installation of the machinery, registration, insuring and licensing of the vehicles ready for deployment in the company's business

# Project Objectives

## Development Objectives:

**POACOLL TECH COMPANY 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 particularly in house hold industry and electronics items.

## Immediate Objectives:

- a) To manufacture Spare parts and electronics appliances things production capacity of 1000 metric tons per year.
- b) Creating employment opportunities to skilled and semi-skilled Tanzanians in industrial operations, including their supplies and distribution in the company's business.
- c) Selling the product produce and sell them to customer and get profit.

# Overview of the Manufacturing Sector and Home appliance industry in Tanzania

- **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 926,333 TZS million.

- **Manufacturing Industry**

Tanzania manufacturing sector contributes 5.6% to the country GDP in 2014 with \$2.69bn compared to \$1.47bn in 2009, representing an increase of 82%.

Tanzania's manufactured goods imports tripled over the past 5 years increasing from US\$497.7m in 2010 to US\$1.4billion in 2015 accounting for 25% of Tanzania's total exports value

# MANUFACTURING OF ELECTRICAL APPLIANCES SPARE PARTS.

The manufacturing of electrical appliance spare parts involves creating replacement components for various devices, ensuring availability and facilitating repairs, with some manufacturers having specific obligations to provide parts for a certain period after purchase.

## **MANUFACTURING CONSIDERATIONS:**

### **Material Selection:**

The materials used to manufacture spare parts must be durable, reliable, and compatible with the original appliance.

### **Quality Control:**

Strict quality control measures are essential to ensure that spare parts meet the required standards and specifications.

### **Distribution and Logistics:**

Efficient distribution networks and logistics systems are needed to ensure that spare parts are readily available to consumers and repair technicians.

### **Environmental Impact:**

The manufacturing process should minimize environmental impact, including the use of resources and the generation of waste.

### **Safety:**

The manufacturing process should prioritize worker safety, including the use of appropriate safety equipment and procedures.

### **Legal Requirements:**

Manufacturers must comply with relevant legal requirements, including those related to spare parts availability and access.

## **ELECTRONICS ITEMS INDUSTRY**

Common items in the electronics sector include mobile devices, televisions, and circuit boards.

Industries within the electronics sector include telecommunications, networking, electronic components, industrial electronics, and consumer electronics.

**POACOLL TECH COMPANY LIMITED** is poised to exploit to the maximum, the anticipated development in this Sector for its own enhanced growth.

## **BUSINESS ENVIRONMENT ANALYSIS;**

### **Internal Approach;**

#### **Management:**

**POACOLL TECH COMPANY 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.

The Managing Director will be closely assisted by well qualified professionals in the manufacturing of house hold appliances and electronics product . The company managers, heads of departments and operational staff for the production machines will be recruited for their competence, experience and good track record in their respective fields and in previous employments.

## External Environment:

### The market:

**POACOLL TECH COMPANY LIMITED marketing** policy aim at two objectives:

- Further penetration/entrenchment into the market's main Segments to increase and retain 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 as a 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 market surveys conducted during feasibility study for this project established that, demand for house hold and electronics item product in the country is growing with each passing year.

## Market Potential:

The global household appliances market was valued at USD 600 billion in 2022 and grew at a CAGR of 6% from 2023 to 2032. The market is expected to reach USD 1074.50 billion by 2032. The increasing number of working professionals will drive the growth of the global household appliances market.

The electrical industry, encompassing equipment, services, and components, is a global market projected to grow significantly, driven by urbanization, industrialization, and the increasing demand for reliable and efficient electricity, with a focus on renewable energy and smart grid technologies

The global electrical equipment market size was valued at USD 1,513.22 billion in 2024. The market is projected to grow from USD 1,660.20 billion in 2025 to USD 3,326.86 billion by 2032, exhibiting a CAGR of 10.4% during the forecast period.

## Competition:

**POACOLL TECH COMPANY LIMITED** is expecting to face competition from existing house hold appliance industries which controls a sizeable market share of Electrical product, the company plan to increase market share by investing in a new and bigger manufacturing industry with production capacity of 1000 metric tons per year.

## PROJECT OPERATING COSTS

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

# REVENUE ASSUMPTIONS

- For the purpose of this project all revenue will come from house hold appliance and electronics items we sell.
- The annual revenue to grow by different percentages depending on market demand annually
- Revenue projections are based on experiences gained by the firm for being in the market for five years now.

## CONCLUSION AND RECOMMENDATION

### Conclusion

The project is viable and profit able throughout the project period, after the foregoing economic and financial evaluation of the project; we strongly recommend that **POACOLL TECH COMPANY 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.

POACOLL TECH COMPANY LIMITED

<b>PARTICULAR</b>	<b>US\$</b>
Building	100,000.00
Machinery&Equipment	200,000.00
MotorVehicles	50,000.00
Furniture&Fixtures	10,000.00
Preexp	20,000.00
Others	20,000.00
Working Capital	100,000.00
<b>TOTAL</b>	<b>500,000.00</b>

**POACOLL TECH COMPANY LIMITED**  
**FINANCIAL PROJECTIONS SUMMARY FROM 2024 TO 2028**  
**PROJECTED STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR 5 YEARS**

	2024	2025	2026	2027	2028
<b>DETAILS</b>					
<b>CURRENCY</b>	USD	USD	USD	USD	USD
SALES	800,000	808,000	830,000	980,000	990,000
<b>TOTAL INFLOW</b>	<b>800,000</b>	<b>808,000</b>	<b>830,000</b>	<b>980,000</b>	<b>990,000</b>
<b>COST OF SALES</b>					
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
	<b>393,142</b>	<b>410,861</b>	<b>429,784</b>	<b>577,980</b>	<b>580,000</b>
<b>GROSS PROFIT</b>	<b>406,858</b>	<b>397,139</b>	<b>400,216</b>	<b>402,020</b>	<b>410,000</b>
<b>OPERATING EXPENSES</b>					
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
<b>TOTAL OPERATING EXPENSES</b>	<b>280,210</b>	<b>260,657</b>	<b>260,867</b>	<b>260,014</b>	<b>284,398</b>
-					
<b>PROFIT FOR THE YEAR</b>	<b>126,648</b>	<b>136,482</b>	<b>139,349</b>	<b>142,006</b>	<b>214,560</b>

**POACOLL TECH COMPANY LIMITED**  
**FINANCIAL PROJECTIONS SUMMARY FROM 2024 TO 2028**  
**PROJECTED STATEMENT OF FINANCIAL POSITION FOR 5 YEARS FROM 2024 -2028**

DETAILS	2024	2025	2026	2027	2028
<b>CURRENCY</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
PPE	73,000	74,100	76,000	77,000	80,000
<b>TOTAL NON-CURRENT ASSET</b>	<b>73,000</b>	<b>74,100</b>	<b>76,000</b>	<b>77,000</b>	<b>80,000</b>
<b>CURRENT ASSET</b>					
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
<b>TOTAL CURRENT ASSET</b>	<b>454,407</b>	<b>605,184</b>	<b>675,800</b>	<b>685,700</b>	<b>687,900</b>
<b>TOTAL ASSETS</b>	<b>527,407</b>	<b>679,284</b>	<b>751,800</b>	<b>762,700</b>	<b>767,900</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share Capital	300,000	300,000	300,000	300,000	300,000
Retained Earnings	60,000	82,455	99,260	99,900	99,990
<b>TOTAL EQUITY</b>	<b>360,000</b>	<b>382,455</b>	<b>399,260</b>	<b>399,900</b>	<b>399,990</b>
<b>LIABILITIES</b>					
Trade Payables	66,382	97,800	152,540	162,000	167,910
Other Payables	101,025	199,029	200,000	200,800	200,000
<b>TOTAL LIABILITIES</b>	<b>167,407</b>	<b>296,829</b>	<b>352,540</b>	<b>362,800</b>	<b>367,910</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>527,407</b>	<b>679,284</b>	<b>751,800</b>	<b>762,700</b>	<b>767,900</b>

