BUSINESS PLAN

FOR

SANYOU INDUSTRIA DEVELOPMENT COMPANY LIMITED

MANUFACTURING OF GLUES

1. EXECUTIVE SUMMARY

1.1 **SANYOU INDUSTRIAL DEVELOPMENT COMPANY LIMITED** is a name holding the business of Manufacturing of glues like Water Glue and Cellophane Tape of P.O BOX 999 Mkuranga nearby Mkuranga Bus Stand, Pwani.

Manufacturing solutions for glues and adhesives are preferable in **closed processes** as they are sticky and difficult to clean.

The main part of the process is **dispersion** with good incorporation of raw materials using pneumatic technology.

The filling is usually gravimetric using COMBI machines, as the dosing heads are subject to abrasion damage.

These are usually products with abrasive thickeners.

1.2 Early adhesives—the term denotes any substance used to join discrete materials by forming a surface attachment—were made from natural substances including tree pitch, beeswax, flour paste, and vegetable resins. These primitive glues were used extensively from ancient times through the Middle Ages, when more effective glues made from animal tissues were developed.

2. COMPANY OWNERSHIP AND MANAGEMENT.

2.1. LEGAL STATUS

SANYOU INDUSTRIAL DEVELOPMENT COMPANY LIMITED is a Business Name registered by **BRELA** and issued with **Certificate of Registration No.180559965** dated 18th December 2024.

As per income Tax regulations, the business is registered with Tanzania Revenue Authority (TRA) as a Tax payer under **TIN number 180-559-965** dated 18th December 2024.

The business capital own contribution is T**sh 1,500,000,000/=** (Tow hundred Million as of to date).

2.2 OWNERSHIP

SANYOU INDUSTRIAL DEVELOPMENT COMPANY LIMITED is company owned by Foreign. The capital of the company is **Tanzania Shillings One Billion Five Hundred Million only 1,500,000,000/=** divided between three partners under the profit sharing ration of 33 percent each.

The first adhesive tape was developed in the early twentieth century, due to a problem in the fledgling automobile industry. During the 1920s, when two-toned cars were popular, manufacturers had problems achieving a clean, crisp line between the two paint finishes. They tried using surgical tape but had problems because it did not form a proper seal and tended to lift off paint when it was removed. At that time, the Minnesota Mining and Manufacturing company (now better known as 3M)

manufactured sandpaper. The firm entered the adhesive tape business when Richard Drew, a 3M lab worker who often visited the auto shops to test sandpaper, took on the challenge of finding a tape that would form a seal without damaging the car's paint when it was removed. The product Drew eventually devised, a rubber-based adhesive coated on a paper backing, resembled today's masking tape.

According to corporate legend, the brand name "Scotch tape" was coined when a prototype batch of Drew's tape received an adhesive coating only along its edges. This proved insufficient, prompting one irked painter to complain to his 3M sales rep about the company's "stingy Scotch bosses." Company executives seized upon the word "Scotch" because they hoped it would suggest that 3M tape was an economical product. After realizing that it would be necessary to coat the entire strip with adhesive, 3M began mass producing masking tape for auto painting and soon went on to make a transparent, or cellophane, tape for general consumer use. Transparent tape eventually became a household material used primarily to mend torn pages and wrap packages.

Today, more than 400 varieties of pressure sensitive tapes are manufactured. Some examples include electrical tape, masking tape, packaging tape, band aids, transparent tape and labels—all available in different sizes, widths, and, in some cases, shapes.

2.3 EQUIPMENT FOR MANUFACTURING GLUES AND ADHESIVES

Glues and adhesives encompass a wide range of products with very different properties and viscosities, from very low to very high viscosity.

Synthetic adhesives, petroleum-derived polymer-based compounds such as polyvinyl acetate glues, ethylene glues, polyurethane glues, synthetic rubber glues, anaerobic or cyanoacrylate adhesives, plant-based adhesives derived from potato starch or corn, or animal adhesives such as traditional glue, or glues derived from dairy products or egg whites, do not require dispersion or grinding processes in their manufacturing, as pre-dispersion or mixing processes are sufficient.

Manufacturing glues and adhesives with solvent bases requires having a mixer equipped with a telescopic or vacuum lid and a steam condenser. For products with complex viscosities, optional equipment such as scraper or orbital blades are recommended.

2.4 THE MANUFACTURING PROCESS

Three separate manufacturing operations are necessary to produce a single roll of household pressure sensitive tape. First, the cellulose acetate backing is prepared, and then the adhesive is made. After the two materials are combined, the final product is cut into small batches for individual consumer use, inspected, packaged, and shipped.

First, wood pulp or cotton seeds are broken down into cellulose fibers through both physical crushing and chemical decomposition. Next, the raw cellulose fibers are treated with acetic acid and acetic anhydride to create a new compound, triacetate. This material is

then treated with a mixture of chemicals and water to produce the basic form of cellulose acetate. After being heated to remove all moisture, the cellulose acetate is mixed with a plasticizing material similar to oil, and the resulting cellulose acetate plastic is made into pellets, or pelletized. The pellets are melted into a liquid and spread over a wide, flat conveyer belt to form extremely thin plastic sheets—it would take about five such sheets to equal the thickness of common paper. The completed backing, or film, is then wound on large rolls several thousand yards long to await the application of the adhesive.

2.5 MAKING THE ADHESIVE

Process solutions for glues and adhesives in small batches are often closely related to high value-added products.

These solutions are usually turnkey in the design of raw material additions, and mixing is done in machines with airtight enclosures and vapour condensers due to the high likelihood of solvent bases.

The filling is very specific depending on the size of the container, and the level of automation of the container depends on this.

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2.6 COMBINING FILM AND ADHESIVE

First, the non-adhesive side of the backing is treated with a release agent that makes the tape easy to unwind. Before the adhesive is applied to the sticky side, the side may be treated with a primer to anchor the adhesive. This coating is applied by routing the film over a large roller that rotates in an open vat of primer. As the tape moves over the roller, it applies the primer. Once these surface coats have been applied, the tape travels over heated drums (known as hot cans) that dry it. A very thin layer of pressure sensitive adhesive

is metered onto the primed side of the tape, which is then rolled into long ovens for high-temperature drying.

Rolling, cutting, and packaging the tape

Once dried, the tape is wound onto large jumbo rolls and routed over slicers that divide it into varying widths. The individual bands of tape are then wound around a small plastic core, which is next fitted inside a plastic dispenser whose serrated edge can be used to cut lengths of tape. Both tape rolls and dispensers come in a variety of sizes to fit varying customer needs.

2.7 QUALITY CONTROL

Pressure sensitive tape performance depends on three factors known in the adhesive industry as quick stick, cohesion, and adhesion. These properties must be properly balanced to achieve maximum performance. Quick stick is the tack of the adhesive where it forms an instantaneous bond on contacting another surface. The adhesive must "wet" any surface to which it is applied with only light finger pressure. The second criterion, cohesion, refers to the ability of the adhesive to remain bonded to an object without splitting when lifted away from that object. Pressure sensitive tape performs best with a high cohesive property. The tape's stickiness, or adhesion, is commonly measured by a "peel" test that examines the tape before and after it is applied to a surface and determines how it reacts to pressure and temperature changes.

Additional specifications and test methods are described in documents released by the federal government, the military, and organizations such as the American Society for Testing and Materials (ASTM) and the Pressure Sensitive Tape Council. Specifications

essentially describe the characteristics of the adhesive while the methods protocols address testing procedures, forms, types, grades, and sizes.

2.8 ENVIRONMENTAL CONCERNS

As the regulation of manufacturing processes under the Clean Air Act becomes stricter, the adhesive tape industry continues its efforts to shift from petroleum-based to water-based adhesives. Manufacturers must also comply with varying state and local regulations concerning groundwater contamination and wastewater treatment. As regulatory issues become more defined with specific mandates, the adhesive industry manufacturing process will continue to adapt its technologies. Currently, adhesive tape manufacturers are concentrating on increasing repulpability, the recyclability of paper adhesives, and compost ability, the adhesive's ability to biodegrade. While several repulpable mills are already in operation, there are few compost-treatment sites.

3.0 THE FUTURE

Experts list environmental consciousness as a big selling point, and manufacturers will seek to obtain the "environmental tag" on their products as they develop tape products that perform well while meeting environmental regulations.

Once the acetate film is produced, it is wound on large spools and loaded into a machine that applies the adhesive. The machine uses a series of rollers, much like a printing press. After the adhesive is applied, the film is heated and dried and then cut into individual strips that are packaged inside plastic dispensers.

3.1 First, wood pulp or cotton seeds are broken down into cellulose fibers through both physical crushing and chemical decomposition. Next, the raw cellulose fibers are treated.

This drawing shows Oliver + Batlle has filling equipment for glues and adhesives with medium and high filling rate for products with viscosities that allow for a quick filling without losing safety and reliability. We also have high-viscosity filling machines for low-flowing adhesives that require high filling accuracy.

3.2 Our process automation solutions for the glue and adhesives sector allow you to optimise your production by shortening manufacturing times and the processes involved. We design the best solution adapted both to your production plant and to the specific characteristics of your product.

4.0 MARKETING ASPECTS:

Marketing is a fundamental and important aspect in the development and well being of any business. Marketing is an important function of any business because it aims at establishing business strategies, marketing objectives; validate business ideas and products where necessary. Marketing is also a key factor to determine the strength and weakness of competitors if any and it provides basis for determination of key success factors in the market, all in all those are done in order to create and expand the business opportunities.

4.1. CUSTOMER DESCRIPTION:

It is the millennium idea and plan of the promoters to penetrate more markets by providing and supplying high quality foods and services as well. In this case customers will be determined and described through the type and quality of product applied.

Moreover, there is expansionary plan towards establishing strong business centers in other areas all over the city and upcountry where company products and services will be sold.

4.2. PRICING:

The market forces of demand and supply of any business are the determining factor of the pricing mechanism.

However, this company has a system in place which offers reasonable and competitive prices to its customers but most importantly adheres to highly quality services.

Setting up of reasonable break through margin also attracts more sales which results into competitive prices in the markets. The pre-set price mechanism has a profit margin ranging between 20 to 30 percent.

Since he product and services will be of higher quality and standards, it is obvious that clients will also accept the targeted prices for their products which deserve the value.

4.3. COMPETITION:

The review of marketing aspects in the above sections shows that the market for promoter's general merchandize products and other services will face little competition in the market. However, the estimated promotion budget of the company indicates that they are prepared for any unforeseen competition. Therefore, any promotion efforts such as product design, marketing and advertising should expect retaliation from the promoter.

The most important factors which the promoters will use to challenge competitors are the fact that their products and services will be highly value added at competition markets.

5.0 MANAGEMENT AND ORGANIZATION:

Mr. ZHANG CHANGQUAN Partnership of the Business is the overall in charge; he supervises all the Supplies, selling, financing, administration and public relations.

Below the Partners are Plastic Product Manager and Finance and Administrations Manager, Sales and marketing Manager. There is also an accountant who manages all financial affairs of the company and keeps financial books and other records.

The actual control ownership and shareholding of the Business is under the following three people:-

a) ZHANG CHANGQUAN	**-**	**340 SHARES**
b) CAI PEIGUANG	**-**	**330 SHARES**
c) MEI YAOSONG	**-**	**330 SHARES**

The above shareholders who are the Owners of the Business are indigenous Foreigners citizens with very strong competency, long experience and well qualified in the informal sector business of general trade.

Below these there is other several supporting staff in the sales, marketing, and personnel.

The total number of workers for the whole company for the time being is 10 people including the above names. The company also, on a time basis employs the services of professionals on the fields. These are hired for specific assignments and are paid for completed assignment.

6.0. ECONOMIC ASPECTS:

The implementation and successful execution of this project by **SANYOU INDUSTRIAL DEVELOPMENT COMPANY LIMITED** will have the following social and economic values:-

6.1. The project will create employment to more than ten people on permanent and many others on indirectly/temporary/needs bases transport services.

6.2. It will generate substantial revenue to the government in the form of levies, corporate tax and other fees.

6.3. The project Promoters will earn substantial amounts of income which help them to improve their standards of living and their employees as well.

7.0 PROJECT BUDGET AND FINANCING

This project entails the outright purchase of a property consisting material worth **USD 100,000.00** (USD One Hundred Thousand Only) equivalent to **Tshs 269,382,473/=** at an exchange rate of Tshs 2,658/= to 1 US Dollar.

8.0 FINANCIAL ANALYSIS:

The analysis of the proposed project of property outright purchase and development for residential accommodation shows that the project can generate fairly good profit and that it can generate sufficient cash to meet both short and long term obligations including repaying of the Bank loan.

The review is given below under the followings sub-sections:-

8.1 Profitability

The project has a good financial rate of return (FRN) on total investments which ensures the loan repayment in the fifth year of the term.

The Economic rate of Return (ERR) is projected at about 75%, the rate can be taken as most economical when compared of the value of fixed investment made for the project and support business.

The project has been estimated to make profit of **US Dollars 30,000** during the first year covered and from then onwards the project shall accumulate profits amounting to **US Dollars 120,000** in the fifth year.

The analysis is covered under **ANNEX III** of the **PROJECTED INCOME STATEMENT.**

ANNEX III

SANYOU INDUSTRIA DEVELOPMENT COMPANY LIMITED

PROJECTED INCOME STATEMENT: - TSHS'

ITEM/YEAR	1	2	3	4	5
Revenue Rent	120,000	120,000	144,000	144,000	144,000
Other	1,419,000	1,419,000	1,650,000	1,650,000	1,650,000
TOTALS	**1,539,000**	**1,539,000**	**1,794,000**	**1,794,000**	**1,794,000**
COST OF SALES:	**950,060**	**950,060**	**950,060**	**950,060**	**950,060**
GROSS PROFIT:	**588,940**	**588,940**	**626,150**	**619,750**	**613,350**
***Less*: Operating Expenses**					
Salaries & Wages	164,000	164,000	185,000	185,000	185,000
Water & Electricity	2,340	2,400	3,000	3,000	3,000
Building Maintenance	11,500	11,500	15,500	15,500	15,500
Financial Charges	6,800	6,800	7,500	7,500	7,500
Other Miscellaneous	225,600	219,200	212,800	206,400	200,000
Operations Costs	26,200	26,200	35,600	35,600	35,600
TOTAL EXPENSES	**436,440**	**430,440**	**459,400**	**453,000**	**446,600**
PROFIT BEFORE TAX	588,550	695,250	816,750	816,750	816,750
Less:					
Depreciation	52,500	52,500	52,500	52,500	52,500
Total	100,000	106,340	114,250	114,250	114,250
Corporate Tax	30,000	31,902	34,755	34,275	34,275
NET PROFIT AFTER TAX	**70,000**	**74,438**	**79,975**	**79,975**	**79,975**
CUMMULATIVE PROFIT	**70,000**	**144,438**	**224,353**	**304,328**	**384,303**

9.0 CONCLUSION AND RECOMMENDATION:

It is strongly and positively recommended that, this project/business proposal be given full support by all the relevant parties to enable timely execution and implementation so as to achieve the operational targets and objectives.

In addition, this business will have positive impact as it will generate a number of benefits and more positive impact on its economy as follows:-

9.1 CONCLUSION:

(i) The proposed business plan is economically and financially viable

(ii) Cash generate is good with a sound profit margin

(iii) The Promoter's existing assets/equipment

(iv) The project will generate few direct and indirect employments

(v) Revenue will accrue to the government by way of taxes and other levies

(vi) The Promoter will increase his income and thus eradicate poverty

(vii) Enough demand exists which give the justification for the development of such a business

9.2 RECOMMENDATIONS:

(i) It is hereby recommended that the project be implemented as soon as possible to avoid project cost over runs

(ii) The depth of high quality and standards of the proposed project's services in areas and the nearby areas and the demand for it justifies for the investment in the project area commercially.