

BUSINESS PLAN FOR LONGMEN WORLD LIMITED

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1. EXECUTIVE SUMMARY

Longmen World Limited is a prospectus business focused on supplying construction materials and solar solutions. The Longmen World Limited is based in Dar es Salaam, Tanzania, and operate primarily in the wholesale distribution of high-quality construction materials such as construction products, electrical components, tiles and paints. The Longmen World Limited's vision is to become the leading supplier of these materials by offering both traditional construction materials to a growing market of builders, contractors, developers, and homeowners. The Longmen World Limited will set up a 3,000 square meter warehouse designed with modern steel structures and an integrated solar power system to reduce operational costs and promote sustainability. The warehouse will be built using imported materials to ensure the highest quality construction, and the solar system will provide a sustainable energy source, further reducing expenses.

Longmen World Limited is committed to customer satisfaction, product quality, and sustainability. With an estimated capital investment of TZS 800,000,000 the Longmen World Limited aims to establish itself as a key player in the Tanzanian construction sector and renewable energy market. Our mission is to provide superior products, prompt delivery, and unmatched service to customers in the Dar es Salaam region and beyond.

I. INVESTMENT OBJECTIVE, SECTOR AND PRODUCTS

Statement of the Objective:

Longmen World Limited aims to Construct a commercial ware house solar system integrated building which be used for storage of construction materials in Tanzania.

Sector: Longmen World Limited operates in mainly sector of Construction Materials **by** Focusing on providing high-quality construction materials such as tiles, paints, electrical components, and other essential building supplies to meet the demands of the growing construction industry in Tanzania.

Products

The main products of this investment are Construction Materials which including

- Electrical components (wiring, switches, cables)
- Tiles for flooring and walls

- Paints and coatings
- Cement, aggregates, and other building supplies

II. INVESTMENT COST AND SOURCE OF FINANCE

Investment cost of the project include the followings

- Warehouse Construction: TZS 320,000,000 (for the 3,000 sqm steel structure and solar system installation)
- Inventory Procurement: TZS 280,000,000 (for initial stock of construction materials and solar products)
- Operational Expenses: TZS 160,000,000 (for salaries, utilities, administration, and marketing)
- Contingency Fund: TZS 80,000,000 (to cover unforeseen expenses)

Source of finance

The project will be financed by the shareholders of the company by contribute as per share amounts

III. JOB CREATION

The project is expecting t create 10 jobs which include

- Chief Executive Officer (CEO): (1 Position)
- Operations Manager: (1 Position)
- Sales and Marketing Manager: (1 Position)
- Financial Officer: (1 Position)
- Warehouse Staff and Sales Team: (6 Positions)

IV. INVESTMENT FUNDS EXPENDICTURE AND BREAKDOWN

The total capital investment for Longmen World Limited is TZS 800,000,000. This will be allocated as follows:

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V. SOURCES OF SUPPLY OF INPUTS

Inputs will be obtained both in Tanzania and other to be imported from China these include

- **Solar Systems** – Solar panels, inverters, batteries, MPPT, solar mounting brakets and solar water

heating systems.

- **Steel** – Reinforcement bars, sheets, anti-theft spikes, nails, bolts, nuts and steel structural.
- **Tiles** – Ceramic, porcelain, and cement tiles for flooring and walls.
- **Aluminum profile** – Aluminum doors and aluminum windows.
- **Loading and unloading machinery** – Forklift trucks and electric forklift trucks.
- **Electrical Materials** – Wires, switches, electrical boxes, and lighting solutions.
- **Paints** – Interior and exterior paints for residential and commercial projects.
- **Insulation and Roofing Materials** – Including materials for thermal insulation and roofing solutions.
- **Solar system from trapping and conversion**
- **Small truck**
- **Specific steel bars**

VI. MARKETING PLAN A

- **Industry Overview:**

The Tanzanian construction industry has witnessed significant growth in recent years due to rapid urbanization, population growth, and government investment in infrastructure. Real estate

developments, commercial building projects, and road construction activities have all contributed to this expansion. The demand for construction materials is expected to continue rising as the economy develops.

- **Target Market:**

The primary market for Longmen World Limited includes:

- o Contractors and Builders: Commercial and residential contractors requiring bulk materials for large construction projects.
- o Developers: Real estate developers involved in building residential complexes, commercial buildings, and infrastructure projects.
- o Retail Customers: Homeowners or small-scale builders looking for materials for individual projects or home renovations.
- o Government Projects: Municipal and national government agencies involved in infrastructure and public works projects.
- o Eco-conscious Builders: Those looking for sustainable energy solutions and green building materials.

- **Market Trends:**

The construction industry in Tanzania is also seeing a rise in the adoption of renewable energy sources, particularly solar, due to the country's abundant sunlight. This trend is expected to continue as both residential and commercial sectors seek sustainable, cost-effective energy solutions.

- **Branding Strategy:**

Longmen World Limited will establish itself as a brand synonymous with reliability, quality, and sustainability. The brand will stand out by offering both traditional construction materials and solar solutions that meet the growing demand for environmentally-friendly building practices.

- **Pricing Strategy:**

The Longmen World Limited will adopt a competitive pricing strategy, ensuring that products are priced attractively for both bulk buyers (contractors and developers) and smaller customers (retail). Prices will reflect the premium quality of the materials, as well as the additional value brought by the solar solutions.

- **Promotions:**

To attract new customers, Longmen World Limited will:

- o Offer introductory discounts for new customers and large orders.
- o Provide bundling discounts for customers purchasing both construction materials and solar systems.
- o Sponsor and participate in construction and renewable energy trade fairs and exhibitions in Tanzania.
- o Develop an informative website to display product offerings and provide detailed specifications, as well as educational content on the benefits of solar energy.
- **Distribution Strategy:** The Longmen World Limited will rely on a network of suppliers for materials and maintain a local distribution system. Deliveries to contractors, developers, and individual customers will be carried out using Longmen World Limited-owned trucks or third-party logistics providers.

2. MANAGEMENT PLAN

Longmen World Limited will be led by a team of experienced professionals, including:

- **Chief Executive Officer (CEO):** The CEO will oversee all operations, strategy, and key business decisions, ensuring that the Company stays on track to meet its goals.
- **Operations Manager:** Responsible for managing warehouse operations, including inventory management, procurement, and logistics. This person will ensure that stock levels are adequate and that orders are fulfilled efficiently.
- **Sales and Marketing Manager:** This manager will handle all marketing initiatives, including branding, promotions, and customer relationship management, as well as overseeing the sales team.
- **Financial Officer:** Responsible for budgeting, accounting, and financial reporting. This person will ensure that the Longmen World Limited stays within its budget and meets financial goals.
- **Warehouse Staff and Sales Team:** These employees will manage day-to-day warehouse operations and sales processes, including handling customer inquiries, order processing, and deliveries.
- **Total employees will be 5 where by 2 will be foreigners and 3 will be local**

3. OPERATIONS PLAN

- **Warehouse Setup:** The 3,000 sqm warehouse will be constructed using imported steel materials. It will feature racking systems to organize inventory, loading and unloading zones, and a dedicated area for solar equipment and accessories. The warehouse will also be equipped with a solar power system to offset energy costs.

- **Supply Chain:** The Longmen World Limited will establish relationships with key suppliers of construction materials and solar equipment both locally and internationally. This will ensure that Longmen World Limited has access to the highest quality products at competitive prices.
- **Technology:** The warehouse will be equipped with a digital inventory management system that allows for real-time tracking of materials. Additionally, an enterprise resource planning (ERP) system will be used to manage financials, sales, and procurement processes.
- **Staffing:** The Longmen World Limited will hire skilled staff with experience in logistics, sales, customer service, and technical support. The warehouse will operate on a shift basis to ensure that orders are processed and dispatched promptly.

VII. IMPLEMENTATION SCHEDULE FOR THE PROJECT

Implementation Schedule for Longmen World Limited (One-Year Plan)

Month 1-2: Initial Setup and Planning

- **Finalize Business Registration:** Complete any remaining legal and regulatory processes to officially establish the business.
- **Secure Funding:** Finalize capital investment of TZS 800,000,000 and allocate the budget for initial setup, warehouse construction, and inventory.

Month 3-8: Warehouse Construction and Infrastructure Development

- **Commence Warehouse Construction:** Begin construction of the warehouse using high-quality imported materials, with attention to sustainability and energy efficiency (including solar system installation).
- **Procure Equipment & Machinery:** Order necessary construction equipment, vehicles for logistics, and materials handling systems.
- **Begin Solar System Installation:** Start installing the integrated solar system for the warehouse to reduce operational costs.
- **Hire Key Staff:** Recruit a core team for warehouse management, sales, and customer service.

Month 9-10: Product Sourcing and Inventory Setup

- **Supplier Partnerships:** Establish agreements with suppliers for construction materials (tiles, paints, electrical components) and solar systems.

- **Initial Inventory Procurement:** Begin purchasing the first batch of inventory, including eco-friendly solar products and construction materials.
- **Logistics Planning:** Set up inventory management systems, warehousing operations, and shipping logistics.

Month 11-12: Warehouse Completion and Operational Setup

- **Complete Warehouse Construction:** Finalize any remaining construction work for the warehouse, including storage, office spaces, and solar power system integration.
- **System Testing:** Conduct thorough testing of solar power systems and other operational infrastructures.
- **Set up IT Systems:** Implement inventory management software, accounting systems, and customer relationship management (CRM) tools.

VIII. FINANCIAL PLAN

Projected Capital Investment

The total capital investment for Longmen World Limited is TZS 800,000,000. This will be allocated as follows:

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Assumptions:

1. **Year 1 Revenue Estimate:** 100% of target capacity.
2. **Growth Rate:** 50% annual revenue growth, reflecting business scaling.
3. **COGS (Cost of Goods Sold):** 50% of revenue.
4. **Operating Expenses:** 40% of revenue.
5. **Net Income:** 10% of revenue after covering all expenses.

5-Year Revenue Projection:

Year	Projected Revenue (TZS)	COGS (50%)	Operating Expenses (40%)	Net Income (10%)
1	400,000,000	200,000,000	160,000,000	40,000,000
2	600,000,000	300,000,000	240,000,000	60,000,000
3	900,000,000	450,000,000	360,000,000	90,000,000
4	1,350,000,000	675,000,000	540,000,000	135,000,000
5	2,025,000,000	1,012,500,000	810,000,000	202,500,000

Breakdown:

1. **Year 1 Revenue:** The company will generate 400,000,000 TZS in revenue, as it fully utilizes its initial target capacity.
2. **Revenue Growth:** A 50% annual growth rate is applied to the previous year's revenue to project future revenues.
3. **COGS:** 50% of the projected revenue each year.
4. **Operating Expenses:** 40% of revenue each year, accounting for salaries, utilities, administration, and marketing.
5. **Net Income:** Estimated at 10% of revenue after covering all costs.

Key Insights:

- **Year 1** sees 400,000,000 TZS in revenue, with net income of 40,000,000 TZS.
- **Revenue Growth** accelerates by 50% annually, resulting in rapid scaling, reaching over 2 billion TZS in revenue by Year 5.
- **Net Income** increases substantially, reaching 202,500,000 TZS in Year 5.

This projection reflects a company growing quickly with robust demand and efficient operations.

IX. CAPACITY OF THE PROJECT

The Project has the capacity to store material about 2400 tones average of 200 tones par month

4. CONTINGENCY PLAN

- **Supply Chain Risks:** In case of supply chain disruptions, Longmen World Limited will diversify its suppliers to ensure that materials are always available. The Company will also maintain buffer stock to cover temporary shortages.
- **Market Fluctuations:** To mitigate market fluctuations, Longmen World Limited will continually monitor market trends and adjust pricing strategies accordingly. In case of a market downturn, the Company will look into diversifying product offerings, such as introducing new green building materials or rental services.
- **Financial Risks:** In case of financial challenges, the Longmen World Limited will consider seeking additional investment or financing options. The management team will closely monitor cash flow to ensure that operations remain sustainable.

