

NuruPack INDUSTRIES LIMITED

BUSINESS PLAN

FOR

**RUNNING THE BUSINESS OF MANUFACTURING AND SELLING OF PACKAGING
MATERIALS**

NuruPack INDUSTRIES LIMITED

P.O. Box 15263

Dar es Salaam.

SEPTEMBER, 2024

PARTI: GENERAL PROJECT INFORMATION

1.1 PREAMBLE

This Business Plan covers the project of running extensive business pertaining to manufacturing and sale/supply of packaging materials and other incidental activities thereto that has been set by **NuruPack INDUSTRIES LIMITED**. Basically the activities will be geared towards carrying out manufacturing of packaging materials, printing, supply and performing significant logistics across the United Republic of Tanzania and outside the country. The company has prepared the project to be carried out extensively with well-articulated managerial and business strategies. The project will be centered in Temeke Area Dar es salaamt region where massive businesses have been projected to operate. This Plan is for obtaining a TIC Certificate for the successful development and sustainability of projected business.

Essentially the ultimate purpose of the proposed business is to apprehend the setting up of high quality of services rendered by our Company. The project promoters have vast experience in the setting up/operating multi projects especially in the *sector* of Commercial building.

1.2 MANAGEMENT OF THE PROJECT.

NuruPack INDUSTRIES LIMITED is owned by Two shareholders who are also the Directors of the company with several years' experience in initiating/running different types of projects: Those Directors responsible for management of company's project are as follows:-

SALUM MOHAMED SIDOON.
ALLY AHMED SAID.

1.3 LOCATION OF THE OFFICE.

This project is been projected to operate extensively within Temeke Municipality, Dar es salaama Region.

1.4 THE PROJECT JUSTIFICATION

There is an increasing growing in the field of Manufacturing Transportation and Logistics business across the country; with great level of development, there is an increasing demand for sustainable and reliable supply of packaging materials.

During the course of our study we spoke to a cross section stake holders including Bankers, Businessmen and Tanzanian generally citizens in order to ensure that the project brought onto the market not only brings high demand but also is brought onto the market in the right format. Due attention was therefore given to location of

conducting projects, relevant prices, lifecycle costing and aesthetic value of the development.

The development concept derived for this development was therefore a culmination of our investigations, which not only looks to maximize the investment for the developer but also provide the right balance for the target market so as to ensure the success of the development for all parties concerned. Furthermore, the study went as far as identifying financiers for the project and the best ways in which financing process shall be conducted while ensuring sustainability and expansion of the projected business.

1.5 PROPOSED DEVELOPMENT

The proposed development shall involve purchase of numerous machines and relevant significant equipments and accessories that shall be used in the projected business, moreover, the project shall involve purchase of materials, numerous marketing and delivery Trucks that shall facilitate the project. Initially, the company has already mobilized funds from its shareholders to enhance the project. The project cost of the development is estimated at **United States Dollars Four Hundred Thousand (USD 400,000)**.

1.6 MAJOR SOURCES OF FUND

This project has basically had its source arising from fund mobilization from the shareholders and grants from the family, and good friends who wished to be part and parcel of accomplishment of the desired dream project. A well expressed table on how the mobilized fund will apportioned within the period of five years has been clearly indicated in the Table 1.0 below

Table 1.0

Showing the Estimated Revenue from the NuruPack INDUSTRIES LIMITED and the associated Commercial Expenses in the projected Business.

Year	Item	Cost (USD)
Year 1	HBL C700 Non-Woven Bag Machine (1 pc)	6800
	HBS Loop Handle Machine (1 pc)	2000
	HB1600 Slitting Machine (1 pc)	2000
	7.5 Screw Compressor with Tank (1 pc)	1500
	Cartoon Digital Single Pass Printer	3700
	Shipping Container (CIF)	2000
	Non-Woven Raw Rolls (2 × 40ft Containers, 24 tons CIF)	32000
	Yard Rent (1 year)	12000
	Yard Construction	20000
	Marketing Vehicles	50000
	Starting/Working Capital	16000
	Total Year 1	148000
Year 2	HBL AC 700 Non-Woven Bag Machine (1 pc)	20000
	Generator 50KV	5000
	7.5 Screw Compressor with Tank (1 pc)	1500
	Cartoon Digital Single Pass Printer (Industrial Capacity)	20000
	Printing Ink (500 Litres)	10000
	Kraft Paper Bags Making Machine	21000
	Kraft Paper Rolls (12 tons)	8500
	Marketing Vehicles	50000
	Shipping Fee (4 Containers)	12000
	Online Advertisement & Marketing	6000
	Total Year 2	154000
	Year 3	HBL C700 Non-Woven Bag Machine (1 pc)
Non-Woven Rolls Raw Material (12 tons CIF)		16000
Total Year 3		22800
Year 4	Online Marketing & Advertising	7200
	Vehicles for Deliveries	30000
		37200

	Total Year 4	
Year 5		
	HBL AC 700 Non-Woven Bag Machine (1 pc)	20000
	Non-Woven Rolls Raw Material (12 tons CIF)	16000
	Regional Marketing	2000
	Total Year 5	38000
		400,000

2.0 THE MARKET

CURRENT MARKET TRENDS FOR THE PURCHASE OF PACKAGING MATERIALS.

As mentioned previously there is a growing class of middle to upper income earners and with it a growing demand for quality packaging materials across the country also in neighboring countries; this has been widely motivated by the prevailing good infrastructure, access to goods roads and amenities.

The high demand and supply of for packaging materials ranges from individual use, office and commercial uses. Private Individuals; Local Companies; and International companies are in severe need of development of manufacturing and supply of high quality and big quantity of packaging materials.

2.1. RISK FACTORS FACING THE PROJECT

There is always an element of risk in any business investment including our projected business of manufacturing and supply of packaging materials which involve high level of risks. It is therefore important to identify the risk and take into account measures for their mitigation. Risks to the project have been identified as follows:

2.1.1 COMPETITION

Competition is the key factor facing the project. The consultant team together with the developer have taken this on board and come up with a highly business design, given due attention to provision of best manufacturing facility and supply of materials which ensure reliability to the customers, creating comfortable working and business environments, best customer care services, and reasonable prices. Furthermore, the team is confident that the way the project has been articulated, the company will stand very competitive against other competitors in the market.

2.1.2 CHOICE OF SERVICES

Confidence is a key item that is important to the would-be user and can prompt him to seek newer and more reliable services. Modern and efficient machineries and materials to be manufactured together with effective services have been stressed in the project to ensure the confidence and reliability of services to the customers.

Careful consideration has therefore gone into the choice of machines, accessories, goods to be manufactured and generally good services to be rendered in the project.

2.2 ECONOMIC RECESSION

Economic recession is one among the big risk factors in any business project. The company must strive to as much as possible mitigate factors such as the effect of economic recessions. Marketing will be of paramount importance and this has been embarked upon right from the outset and has already generated a considerable amount of interest.

2.3 COST OVERRUNS

The consultant team has rigorously gone through the project requirements specifications so as to ensure that it is comprehensive so as to eliminate/minimize any variations. Furthermore, value management shall be

carried out throughout the development process to forestall any cost overruns.

2.4 INCREASES IN PRICE OF MATERIALS

The shareholders are aware of the risk of increased prices and together with the consultants they have seen the award of a fixed term contract to the contractor. Furthermore, where possible the contractor shall be encouraged to make arrangements for the procurement of the materials right from the outset.

3.0. Table 2.0

Showing the SWOT ANALYSIS

STREIGHTS	WEAKNESS
<ul style="list-style-type: none"> • Experienced Shareholders of NuruPack INDUSTRIES LIMITED. • Experienced Consultant team • Shareholder Commitment • Prime location for Real Estate • 	<ul style="list-style-type: none"> • Potential overruns in work program
OPPORTUNITY	THREATS
<ul style="list-style-type: none"> • Increase in sale values • Growth in economy during the Manufacturing period • High Demand for the apartments 	<ul style="list-style-type: none"> • Increase in cost of building materials • Competition from other developments

3.0 TECHNICAL INFORMATION

3.1. OBJECTIVES OF THE DEVELOPMENT

The objectives for the development are as follows:

- To bridge the supply gap for the packaging materials both for private use and commercial purposes for the growing middle class in Dar es Salaam
- To provide for intensive provision and supply of packaging materials.

3.2. THE DESIGN

The project has been designed and or developed briefly and include the following:

- Design of high quality packaging materials to suitable accommodate the needs of the targeted markets
- A moderation in the design of the valuable packaging materials for individual, office and commercial uses at affordable prices through design and choice of materials.
- The proposed development project shall be designed in a modern, good aesthetic while providing necessary usage to its customers.

3.3. THE CONSULTANCY TEAM

The developer has selected a team that he believes shall be able to deliver a modern building of a good quality, within the set budget and times frame. The traditional systems of procurement will be appointed for this project in the near future.

3.4. SCHEDULE OF AREAS

The space planning of the proposed industrial area has specially been designed to maximize production to cure the customers' demand.

3.5. TYPE OF MANUFACTURING DESIGNS

The manufacturing designs of the packaging materials shall be made in high qualities with decorative features to improve sales.

3.6. BUILDING SERVICES

The manufacturing place has been well designed in a modern standard and will include include air conditioning, standby generator, car parking, and necessary transport and logistics facilities.

3.7. WORK PROGRAMME

Financial implications start as soon as the project begins hence the project is expected to run in a highly speedy so that production meets sales to assure the project starts earning.

The relative timing of expenditure and revenue will have an impact on the project, it is therefore imperative that the project is completed within a short and reasonable time frame. The Developer has already identified a construction team who shall be committed to completing the development within the set time frames.

4. MARKETING AND SALES

The developer understands that for success of the development they should embark on marketing and letting program of the development right from the conception stage has engaged a professional company to ensure that strategies are put in place right from the outset. The sales and Marketing Team will ensure that they use a modern approach of multi-selling in collaboration with other reputable key agencies so as to ensure maximum exposure and onward sales of the produced materials.

4.1. TIME FRAME

The development is expected to take Twelve (12) months from commissioning to completion of the development.

4.2. THE MARKETING PROPOSAL

The marketing strategies that shall be put in place for the company will aim at attaining maximum exposure and onward sales at the optimal price so as to maximize on the return on investment. The marketing shall commence right from the conceptual stage of the development. The approach is hereunder broken down into two main parts, Pre and Post Design Marketing.

i. PRE-DESIGN MARKETING:

Marketing of a development should commence even before the conceptual design of the packaging materials is agreed upon, so as to impact upon what is needed within the design and smoothing the marketing process that you provide what the market requires in the first place.

ii. Identification of the Target Market

Identifying and listing the target market, followed by onward design to cater for the identified group.

iii. Achieving high aesthetic value in the designed Packaging Materials.

Achieving a high aesthetic value in the design of the packaging materials is a key factor in attracting prospective clients.

iv. Putting in place competitive pricing and other sales terms

The results of the comparative analysis shall be embodied in the sale prices to ensure that the sale prices offered to the prospective buyers are competitive in view of the

products they shall be acquiring.

v. POST DESIGN MARKETING

The Promotion strategies that shall be adopted for NuruPack's materials will be aimed at informing, influencing and persuading prospective buyers to purchase the NuruPack materials. The following tools of promotion shall be employed:

- ◆ Advertising
- ◆ E- Marketing
- ◆ Personal Selling
- ◆ Sales Promotion
- ◆ Selection Mix

• Advertising

Various forms of Print media and visual imagery will be used to create awareness of the projected business investment to the prospective customers. The advertising will call for public attention through paid messages in newspapers, magazines, billboards, signboards and display areas.

A billboard shall also be posted at the site, right from the onset of the development that shall provide key information on the development. The billboard will provide 24 hours advertising carrying a powerful message that is clearly visible to the public, especially considering its special vantage point just across the road from the popular and busy roads. Wide exposure of the development is therefore expected and this will serve to create awareness and interest in the development.

Display Advertising in select media as well as direct mailing to target markets shall also be employed.

• E-Marketing

Details of the developments to include pictorials, layouts and various key and

attractive products manufactured by NuruPack data shall be available via the internet for easy viewing by prospective customers. Furthermore, emails shall be sent out to prospective customers with a link to the development. The E-Platform shall also create an opportunity for enquiries and placing of orders in the development.

- **Personal Selling**

- Personal selling in contrast to the impersonal and mass appeal of advertising will consist of individual interpersonal communication to include:
 - Physically showing the manufactured products and presentations to the clients on the company's investments.
 - Direct canvassing to the target market. This is a very good prospective method, a list of prospects shall be prepared and they shall be contacted and given presentations.
 - Handling of Enquiries over the telephone

- **Sales Promotion**

This will be in the form of presentation of marketing brochures for the NuruPack that shall be carefully prepared and distributed to the target market with select information to capture key development information and imagery, which will serve to inform, attract, influence and persuade prospective customers.

- **Qualification of tenants and tenant mix**

Attention to the mix of people who will live together in harmony is important. The prospective buyers shall be carefully screened and selected to ensure a good balance of homeowners sharing a common space, to as much as possible ensure a tranquil and peaceful environment. The tenants shall be made aware of this and the housing policies that shall be put in place for anyone buying an apartment in this complex.

5.0. FINANCIAL PROPOSAL

5.1. ESTIMATED COST OF THE DEVELOPMENT

The total development is estimated at **USD 400,000** including the land.

5.2. MODE OF PROJECT FINANCING

The development shall be entirely carried out by the **NuruPack INDUSTRIES LIMITED** who intend to seek financing from the shareholders direct contributions and grants from the family, and good friends who wished to be part and parcel of accomplishment of the desired dream project

	USD
Total Development Cost:	400,000
Debt:	0.0

5.3. INVESTMENT COST FINANCING PATTERN

The Total investment cost is estimated at USD 1,180,000 a summary of the breakdown is as indicated in the table below

APPENDIX: II**NuruPack INDUSTRIES LIMITED
INVESTMENT COST**

ITEM	US\$
Fixed Asset	200,000
Civil Works & Building	50,000
Machinery and Equipment	280,000
Vehicles	100,000
Furniture and Fittings	50,000
Others	100,000
Pre-Operational Expenses	50,000
Sub total	830,000
Initial working capital	350,000
GRAND TOTAL	1,180,000

5.4. FUTURE FINANCING PLAN

Debt	100%	1,000,000
TOTAL LOAN AMOUNT		1,000,000
Interest rate p.a. on USD Borrowing		8.0%
Loan Period	Years	3
Capital Repayment Grace Period	Years	2

REVENUE

Table 5.0

Showing the cash flows, financial projection for NuruPack INDUSTRIES LIMITED.

Item	1	2	3	4	5	6	7
Cash Inflows							
Equity	400,000	-	-				
Loan		-	-				
Revenue		400,000	400,000	400,000	400,000	4,620,000	400,000
Total Cash Inflows		400,000	400,000	400,000	400,000	400,000	400,000
Cash Outflows							
		-	-				
Loan Repayment		-	-	-	-	-	-
Financial Charge	-			-	-	-	-
Loan interest paid		0.00	0.00	-	-	-	-
Taxes and fees		28,000	30,800	-	-	-	-
Total Cash Out Flows	262,500	2,020,000	1,928,000	-	-	-	-

Net Cash Flows	(262,500)	2,180,000	2,692,000	4,620,000	4,620,000	4,620,000	4,620,000
Cum. Deficit/Excess cash flows	(262,500)	1,917,500	4,609,500	9,229,000	13,849,000	18,469,000	23,089,000

5.5. FINANCIAL VIABILITY

RETURN ON INVESTMENT

The project indicates a very healthy return on investment with a payback period of within 3 years of the investment on the project.

6.0. MANPOWER REQUIREMENTS AND ORGANISATION

6.1. MANAGEMENT

This success of a venture of this kind depends on the competence of the personnel recruited to manage. It is assumed that relevant personnel with requisite skills shall be available within the country.

In Order to streamline the properties development operations, it is proposed to engage two key figures; Operational officer and the Project Accountant, These two along with the Project Manager will form the central operational core that will ensure the success of the project.

6.2. MANPOWER REQUIREMENTS

Based on the proposed organization structure the project will initially employ a total of One Hundred and Fifty (150) persons.

7.0. CONCLUSION

We are of the opinion that the project is viable and the proposed marketing strategies will achieve maximum exposure for the achievement of 100% sales in a period of well within Three (3) years as summarized hereunder in our considerations for this project:

- The proposed sales prices for the manufactured materials are reasonably priced.
- The research has come into conclusion that Current Market demands for high quantity and quality of the packaging materials. Implying that demand far exceeds supply.
- The strategic location of the Industrial pack for the proposed development is in Temeke Municipality, Dar es salaam, an area with good infrastructure, a good neighborhood and with good traffic condition to city Centre.

APPENDIX: I**NuruPack INDUSTRIES LIMITED
INVESTMENT COST**

ITEM	US\$
Fixed Asset	200,000
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Vehicles	100,000
Furniture and Fittings	50,000
Others	100,000
Pre-Operational Expenses	50,000
Sub total	830,000
Initial working capital	350,000
GRAND TOTAL	1,180,000

NuruPack INDUSTRIES LIMITED
FINANCING PATTERN

Shareholders Contribution and Grants	100%	400,000
Loan	0%	0.00
TOTAL AMOUNT		400,000
Interest rate p.a. on usd Borrowing		-
Loan Period	Years	-
Capital Repayment Grace Period	Years	-