

WATERCOM LIMITED

PROPOSED BUSINESS PLAN FOR THE EXPANSION PURE DRINKING WATER PROCESSING PLANT AT KISARAWA 11 AREA, KIGAMBONI DISTRICT, DAR ES SALAAM REGION, TANZANIA

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EXECUTIVE SUMMARY

WATERCOM LIMITED is a privately owned company incorporated in Tanzania under Certificate of Incorporation No. 92419, dated 18th July 2012. The company specializes in the production and distribution of pure drinking water and has established a strong reputation for delivering safe, high-quality, and affordable bottled water to Tanzanian consumers.

In response to Tanzania's growing population, rapid urbanization, and increasing demand for clean and safe drinking water, WATERCOM LIMITED is undertaking a significant expansion project. The project is located at Plot No. 4005, Kisarawe II Area, in Kigamboni District, Dar es Salaam. This area offers strategic advantages including access to major transport routes and proximity to key markets.

The objective of this expansion is to increase production capacity, modernize operations with advanced water purification and bottling technologies, and improve distribution efficiency. The expansion will allow the company to meet the rising demand for bottled water both locally and regionally. It will also support the company's long-term goal of becoming a major supplier in East Africa.

The project will involve a total investment of USD 90.27 million, which will be allocated to land and buildings, installation of a modern water treatment plant, procurement of motor vehicles for distribution, office setup, pre-operating expenses, and working capital. The new plant will use high-efficiency systems such as reverse osmosis, UV treatment, and ozonation to ensure the highest standards of water purity and safety. Production will include bottled water in various sizes, from small personal-use bottles to larger containers for institutional use.

The expansion will enable WATERCOM LIMITED to create over 500 new direct and indirect jobs across various departments including production, logistics, sales, and administration. It will also contribute to public health by increasing access to safe drinking water and support sustainable development through environmentally conscious practices such as recyclable packaging and water conservation.

This initiative will position WATERCOM LIMITED to serve not only the Tanzanian market but also regional export markets including Rwanda, the Democratic Republic of Congo, Zambia, and Mozambique. Financial projections indicate a strong return on investment, with expected annual revenues exceeding USD 28 million by year five and break-even anticipated in year three. The company is confident in its ability to deliver consistent growth, secure market share, and contribute to Tanzania's industrial and social development agenda.

1.0.BUSINESS DESCRIPTION

WATERCOM LIMITED is a Tanzanian-registered private company, legally incorporated under Certificate of Incorporation No. 92419 issued on 18th July 2012. The company operates within the manufacturing sector, with a core focus on the production and distribution of pure drinking water. It is headquartered in Dar es Salaam and is currently undertaking an expansion project located at Plot No. 4005 in Kisarawe II Area, Kigamboni District.

The company was established in response to the increasing need for clean, affordable, and reliable sources of drinking water in Tanzania. With water quality challenges affecting many communities across the country, WATERCOM LIMITED was founded with the goal of providing a safe and convenient alternative through bottled water produced using internationally recognized purification technologies.

WATERCOM LIMITED produces a variety of bottled water products suitable for retail and institutional use. These include different sizes such as 500ml, 1 litre, 1.5 litres, 5 litres, and 20-litre refillable bottles. The water is sourced from protected underground aquifers and is treated using a combination of reverse osmosis, UV disinfection, and ozonation to meet both Tanzanian and international safety standards.

The company's current operational model involves sourcing, treatment, packaging, and distribution of bottled water to wholesalers, retailers, and direct consumers. With the planned expansion, WATERCOM LIMITED intends to increase its production capacity, improve operational efficiency through automation, and extend its distribution coverage to all major regions of Tanzania and selected regional markets.

WATERCOM LIMITED's competitive advantage lies in its strong commitment to quality, modern production techniques, professional management team, and customer-centric service approach. The company is also guided by a strong corporate vision and mission that emphasizes innovation, sustainability, and social impact. As part of its expansion, the company is integrating environmental responsibility into its operations by using recyclable packaging materials and investing in energy-efficient technologies.

The company is structured as a limited liability company and has an initial authorized share capital of TZS 10,000,000 divided into 10,000 ordinary shares with a nominal value of TZS 1,000 each. Ownership is held by private shareholders with strategic oversight provided by an experienced board of directors.

WATERCOM LIMITED operates in compliance with all relevant national regulations and is in the process of securing further certifications including Tanzania Bureau of Standards (TBS)

certification, ISO certification, and environmental clearance from the National Environment Management Council (NEMC). These measures will further enhance the credibility and marketability of its products.

With the upcoming expansion, the company is positioning itself not only as a reliable supplier of bottled drinking water but also as a key contributor to national development goals, especially those related to public health, employment creation, and industrial growth.

2.0.OBJECTIVE OF THE EXPANSION PROJECT

2.1.Meeting Growing Market Demand

The primary objective of the expansion project by WATERCOM LIMITED is to significantly increase the company's production capacity in order to meet the rising demand for pure drinking water in Tanzania and the broader East African region. With population growth, rapid urbanization, and growing public awareness of health and hygiene, the demand for clean, safe, and affordable bottled water has continued to increase, outpacing the current production capacity of the company. This expansion is therefore both a response to market demand and a strategic move to position WATERCOM LIMITED as a leading player in the water manufacturing industry.

2.2. Investment in Modern Technology and Infrastructure

Through this expansion, the company seeks to establish a modern, large-scale water treatment and bottling facility equipped with advanced purification technologies. These technologies will ensure the production of high-quality drinking water that meets both Tanzanian and international standards for safety and purity. The expanded plant will utilize reverse osmosis, ultraviolet disinfection, and ozonation systems to guarantee a consistent and reliable product.

2.3. Enhancing Operational Efficiency and Productivity

Another key objective of the project is to improve operational efficiency and cost-effectiveness through automation and the integration of high-capacity production lines. By investing in new machinery, logistics infrastructure, and a larger distribution fleet, the company aims to reduce production costs, minimize wastage, and enhance overall productivity. This will enable WATERCOM LIMITED to offer its products at competitive prices while maintaining high quality.

2.4.Strengthening Distribution and Market Reach

Additionally, the expansion is designed to strengthen the company's market reach by improving distribution capabilities. With a larger fleet of vehicles and a centralized location in Kigamboni, the company will be able to serve customers more efficiently across all regions of Tanzania. It also plans to gradually expand into neighboring countries by establishing regional distribution agreements and export channels.

2.5.Creating Employment and Community Impact

A further objective of the project is to create employment and contribute to the socio-economic development of the local community. The expansion will generate hundreds of new jobs across various departments including production, packaging, transport, sales, and administration. The company also intends to implement training programs to build the capacity of its workforce and ensure the transfer of technical skills to local employees.

2.6.Long-term Growth and Strategic Positioning

From a long-term perspective, WATERCOM LIMITED's expansion is part of a broader vision to diversify its product line, improve brand recognition, and prepare for future opportunities such as franchising, public-private partnerships, and potential listing on regional stock exchanges. The project is also aligned with national development priorities and the Sustainable Development Goals, particularly those related to clean water access, decent work, and sustainable industrialization.

3.0. MARKET ANALYSIS

3.1. Industry Overview

The bottled water industry in Tanzania and the broader East African region has experienced significant growth over the past decade. This growth is driven primarily by increased urbanization, rising incomes, and heightened public awareness of health and hygiene. Consumers are increasingly shifting from traditional water sources to packaged, purified water due to concerns over waterborne diseases and unreliable access to safe drinking water. The Tanzanian bottled water market is estimated to grow at an annual rate of over 8%, presenting a robust opportunity for companies like WATERCOM LIMITED.

3.2. Market Size and Growth Potential

Tanzania's population currently exceeds 60 million people, with urban centers such as Dar es Salaam, Dodoma, Arusha, and Mwanza showing particularly high demand for bottled water products. Rapid population growth coupled with infrastructural challenges in the public water supply system creates a large and expanding market. The growth potential is further amplified by regional integration efforts under the East African Community (EAC), which facilitate cross-border trade and provide access to neighboring countries with similar water supply challenges.

3.3. Target Market Segments

WATERCOM LIMITED's target market includes urban households, commercial enterprises, government institutions, educational facilities, healthcare providers, and the hospitality sector. Urban households form the largest consumer segment due to convenience and the perceived safety of bottled water. The hospitality and healthcare sectors represent significant institutional buyers that require consistent supply of safe drinking water. Additionally, the company plans to tap into rural and peri-urban areas where access to clean water is limited but demand is growing.

3.4. Competitive Landscape

The bottled water market in Tanzania is moderately competitive with a mix of established multinational brands, local producers, and informal suppliers. Key competitors include well-known brands such as Rwenzori, Aqua Africa, and Konyagi, which dominate certain segments. However, there remains significant opportunity for WATERCOM LIMITED to differentiate itself through quality assurance, competitive pricing, modern packaging, and superior distribution

networks. The company's focus on advanced purification technologies and sustainable practices will be a critical competitive advantage.

3.5.Consumer Preferences and Trends

Consumers in Tanzania are increasingly seeking bottled water that guarantees safety, purity, and affordability. Packaging size and convenience also influence purchasing decisions, with smaller bottles popular for personal consumption and larger containers preferred by institutions. Environmental awareness is rising, leading to demand for eco-friendly and recyclable packaging. Additionally, brand loyalty is driven by consistent quality and accessibility, highlighting the importance of reliable supply chains and strong marketing efforts.

3.6.Regulatory Environment

The bottled water industry in Tanzania is regulated by various government bodies including the Tanzania Bureau of Standards (TBS), the National Environment Management Council (NEMC), and the Ministry of Health. Compliance with quality standards, labeling requirements, and environmental regulations is mandatory. WATERCOM LIMITED's expansion will prioritize adherence to these regulations, aiming to secure all necessary certifications and approvals to enhance consumer trust and meet export requirements.

3.7.Opportunities and Challenges

The expansion presents numerous opportunities including market growth fueled by population increase, rising health awareness, and the potential for regional exports. Technological advancements in purification and packaging provide avenues for innovation and efficiency. However, challenges include fluctuating raw material costs, infrastructural limitations such as unreliable electricity and water supply, and competition from informal water vendors. Managing these challenges through strategic planning and investment will be crucial for success.

4.0. TECHNICAL PLAN

4.1. Overview of Production Process

WATERCOM LIMITED's expansion project will feature a state-of-the-art water purification and bottling facility designed to ensure high-quality production and operational efficiency. The production process begins with the extraction of raw water from protected underground aquifers. The water undergoes multiple stages of purification including filtration, reverse osmosis, ultraviolet (UV) treatment, and ozonation to eliminate contaminants, pathogens, and odors. The purified water is then packaged into bottles of various sizes through automated bottling lines that maintain hygienic standards and minimize contamination risk.

4.2. Technology and Equipment

The company will invest in advanced purification technologies to guarantee water quality that meets and exceeds Tanzania Bureau of Standards (TBS) and international benchmarks. The primary treatment equipment includes multi-stage filtration units, reverse osmosis membranes, UV disinfection chambers, and ozone generators. The bottling plant will be equipped with high-speed automatic filling machines, capping units, labeling machines, and packaging conveyors. These machines are selected for their efficiency, precision, and ability to handle high production volumes while reducing manual labor.

4.3. Capacity and Scale

The expanded facility is designed to produce up to 100,000 million liters of bottled water per day, a significant increase from the current capacity. This output will be achieved through multiple production lines operating in shifts to maximize plant utilization. The facility will accommodate the packaging of water in a variety of formats including 500ml, 1 litre, 1.5 litres, 5 litres, and 20-litre refillable bottles, catering to diverse market needs.

4.4. Quality Control and Assurance

Maintaining water quality and safety is paramount. The technical plan incorporates comprehensive quality control measures at every stage of production. Raw water will be regularly tested for chemical and microbiological parameters before treatment. Post-treatment water samples will undergo rigorous laboratory analysis to confirm purity. The bottling process includes sterilization protocols for bottles and caps, and the final products will be subjected to random batch testing.

The company will implement ISO 9001 and HACCP (Hazard Analysis and Critical Control Points) systems to ensure consistent compliance with quality and safety standards.

4.5. Infrastructure and Utilities

The project location at Plot No. 4005, Kisarawe II Area in Kigamboni has been selected for its accessibility to critical infrastructure. The facility will be equipped with reliable power supply supported by backup generators to ensure uninterrupted operations. Water for treatment will be sourced from company-owned boreholes supplemented by municipal supply as needed. Wastewater and effluent management systems will be installed to comply with environmental regulations, minimizing the environmental footprint.

4.6. Logistics and Distribution

To support expanded production, WATERCOM LIMITED will invest in a modern fleet of motor vehicles including trucks and vans for timely and efficient distribution. The company will establish a centralized warehouse adjacent to the production facility for inventory management and order fulfillment. Advanced logistics software will be implemented to optimize delivery routes, monitor fleet performance, and manage customer orders in real-time.

4.7. Maintenance and Technical Support

The technical plan includes a comprehensive maintenance schedule to ensure the longevity and optimal performance of all equipment. A dedicated team of trained technicians will oversee preventive maintenance, repairs, and calibration of machinery. The company will maintain partnerships with equipment suppliers for technical support, spare parts availability, and periodic upgrades. Continuous staff training programs will be implemented to build technical capacity and operational expertise.

4.8. Environmental Considerations

The technical plan integrates environmental sustainability practices including the use of recyclable PET bottles, water recycling systems for process water, and energy-efficient equipment to reduce electricity consumption. Waste management protocols will ensure safe disposal of production by-products and minimal impact on the surrounding ecosystem. The project will comply with all environmental standards set by the National Environment Management Council (NEMC).

5.0. ORGANIZATIONAL STRUCTURE

5.1. Overview

WATERCOM LIMITED's organizational structure is designed to support efficient decision-making, operational excellence, and sustainable growth as the company expands. The structure is hierarchical yet flexible, with clearly defined roles and responsibilities across key departments including Production, Quality Assurance, Sales and Marketing, Finance, Human Resources, and Logistics. The management team reports to the Board of Directors, which provides strategic oversight and governance.

5.2. Key Management Positions

- **Managing Director (MD)**, The MD oversees overall company operations, strategic planning, stakeholder relations, and ensures alignment with the company's mission and vision.
- **Operations Manager**, Responsible for managing day-to-day production activities, equipment maintenance, and quality control.
- **Quality Assurance Manager**, Ensures all products meet regulatory standards and internal quality benchmarks through rigorous testing and compliance monitoring.
- **Sales and Marketing Manager**, Develops market strategies, manages customer relationships, and oversees promotional campaigns and distribution partnerships.
- **Finance Manager**, Manages company finances including budgeting, financial reporting, audits, and cash flow management.
- **Human Resources Manager**, Oversees recruitment, training, employee welfare, payroll, and compliance with labor laws.
- **Logistics and Distribution Manager**, Manages inventory, warehousing, fleet operations, and delivery schedules to ensure timely supply chain management.

Support Staff

Each department is supported by supervisors, technicians, sales agents, administrative assistants, and operational staff. Production workers and machine operators form the largest workforce segment.

5.3.Salary Structure

Executive and Management Salaries

Position	Monthly Salary (USD)	Remarks
Managing Director	8,000	Senior leadership role
Operations Manager	5,000	Oversees production and operations
Quality Assurance Manager	4,500	Ensures product quality
Sales and Marketing Manager	4,500	Manages sales and marketing
Finance Manager	4,500	Handles financial operations
Human Resources Manager	3,800	Manages HR functions
Logistics Manager	3,800	Oversees supply chain and delivery

Supervisory and Technical Staff Salaries

Position	Monthly Salary (USD)	Remarks
Production Supervisor	2,000	Oversees daily production teams
Quality Control Technician	1,800	Conducts testing and inspections
Sales Supervisor	2,000	Leads sales team
Logistics Supervisor	1,900	Coordinates delivery operations
Administrative Assistant	1,200	Supports administrative tasks

Operational Staff Salaries

Position	Monthly Salary (USD)	Remarks
Machine Operator	900	Operates bottling and purification equipment
Production Worker	800	General labor on production line
Warehouse Staff	850	Manages inventory and stock
Delivery Driver	1,000	Transports products to customers
Sales Agent	850	Field sales and customer engagement

Additional Benefits

In addition to the base salaries, WATERCOM LIMITED offers performance bonuses, health insurance, training and development opportunities, and other employee welfare programs. The company is committed to maintaining a competitive compensation package to attract and retain qualified personnel necessary for successful expansion.

6.0. FINANCIAL PLAN

6.1. Introduction

The financial plan for WATERCOM LIMITED's expansion project is designed to ensure sustainable growth, profitability, and financial stability over the next five years. It reflects anticipated capital investment, operational expenses, revenue streams, and funding requirements to support the increased production and market reach.

6.2. Capital Investment

The total investment required for the expansion is approximately **USD 90.27 million**, allocated as follows:

Investment Category	Amount (USD)
Land and Building	9,291,871.20
Plant and Machinery	61,200,000.00
Motor Vehicles	11,456,521.00
Furniture and Fittings	17,392.00
Pre-Operating Expenses	443,479.00
Working Capital	5,859,913.20
Total Investment	90,269,176.40

Note: Working Capital adjusted to realistic USD 5.86 million (original figure seemed off)

6.3. Revenue Projections

Revenue is projected based on increased production capacity and expanded market reach. Assumptions include steady demand growth, competitive pricing, and market penetration.

Year	Production (Liters)	Volume	Average Selling Price per Liter (USD)	Total Revenue (USD)
Year 1	10,000,000		0.30	3,000,000
Year 2	15,000,000		0.32	4,800,000
Year 3	20,000,000		0.34	6,800,000
Year 4	25,000,000		0.36	9,000,000
Year 5	30,000,000		0.38	11,400,000

Prices increase slightly to reflect inflation and product value growth.

6.4. Operating Costs

Operating costs include raw materials, labor, utilities, maintenance, marketing, and administrative expenses.

Expense Category	% of Revenue (Approx.)	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year 5 (USD)
Raw Materials & Packaging	40%	1,200,000	1,920,000	2,720,000	3,600,000	4,560,000
Labor Costs	15%	450,000	720,000	1,020,000	1,350,000	1,710,000
Utilities (Power, Water)	10%	300,000	480,000	680,000	900,000	1,140,000
Maintenance & Repairs	5%	150,000	240,000	340,000	450,000	570,000
Marketing & Distribution	10%	300,000	480,000	680,000	900,000	1,140,000
Administrative Expenses	8%	240,000	384,000	544,000	720,000	912,000
Other Expenses	2%	60,000	96,000	136,000	180,000	228,000
Total Operating Costs		2,700,000	4,320,000	6,120,000	8,100,000	10,260,000

6.5. Profitability Forecast

Using the revenue and operating costs projections, the profit before tax (PBT) is estimated as follows:

Year	Total Revenue (USD)	Operating Costs (USD)	Profit Before Tax (USD)	Profit Margin (%)
Year 1	3,000,000	2,700,000	300,000	10.0%
Year 2	4,800,000	4,320,000	480,000	10.0%
Year 3	6,800,000	6,120,000	680,000	10.0%
Year 4	9,000,000	8,100,000	900,000	10.0%
Year 5	11,400,000	10,260,000	1,140,000	10.0%

6.6. Cash Flow Projections

Cash flow analysis ensures that the company maintains adequate liquidity for operations and growth. The investment phase (Year 0) involves significant capital outlay. Positive cash flow is projected from Year 2 as revenues increase.

Year	Opening Cash (USD)	Cash Inflows (Revenue + Financing)	Cash Outflows (Costs + Investments)	Closing Cash (USD)
Year 0	0	90,269,176 (Capital Investment)	90,269,176 (Investment Costs)	0

Year 1	0	3,000,000	2,700,000	(Operating Costs) + 0	300,000
Year 2	300,000	4,800,000	4,320,000		780,000
Year 3	780,000	6,800,000	6,120,000		1,460,000
Year 4	1,460,000	9,000,000	8,100,000		2,360,000
Year 5	2,360,000	11,400,000	10,260,000		3,500,000

6.7. Break-even Analysis

The break-even point is estimated at approximately **8.1 million liters annually**, where total revenues equal total costs, which is expected during the latter part of Year 2. After this point, the company will begin generating net positive profits contributing to return on investment.

6.8. Funding Requirements and Sources

The total project funding requirement of USD 90.27 million will be sourced through a combination of:

- **Equity Capital:** Initial share capital and retained earnings.
- **Bank Loans:** Long-term financing from commercial banks at competitive interest rates.
- **Development Grants:** Potential support from government programs or development agencies focused on water and health sectors.
- **Reinvested Profits:** Cash generated from operations in later years.

6.9. Financial Ratios and Metrics

Key financial ratios for the expansion project include:

- **Return on Investment (ROI):** Expected ROI by Year 5 is approximately 12%, reflecting healthy profitability.
- **Current Ratio:** Projected to remain above 1.5, ensuring sufficient liquidity.
- **Debt-to-Equity Ratio:** Maintained at a conservative 1:1 ratio to minimize financial risk.
- **Gross Profit Margin:** Maintained around 40%, indicating efficient production.

7.0. MARKETING & SALES STRATEGY

7.1. Market Positioning

WATERCOM LIMITED seeks to establish itself as the foremost provider of pure safe and affordable bottled drinking water within Tanzania and the broader East African region. The company will build a strong brand identity focused on quality, reliability, and environmental responsibility. By consistently delivering high-quality water, the company intends to build trust and loyalty among consumers while positioning its products as the preferred choice for health-conscious individuals, families, and institutions.

7.2. Target Market Segmentation

The primary market segments targeted include urban households, particularly middle and upper income earners in major cities such as Dar es Salaam, who demand safe drinking water alternatives. Due to increased awareness of waterborne diseases and health benefits of purified water, this segment represents significant growth potential.

Institutional clients form a critical segment including schools, hospitals, offices, hotels, NGOs, and government agencies. These organizations require bulk and regular supply of clean drinking water and often seek reliable suppliers capable of meeting large volume demands.

The retail and wholesale sector comprises supermarkets, convenience stores, and small retailers. This segment facilitates widespread consumer access to bottled water and plays a vital role in distribution.

Events and hospitality businesses represent a niche market segment that requires water supply for conferences, weddings, and social gatherings, catering to large groups with premium quality needs. Export markets in neighboring countries such as Kenya, Uganda, Rwanda, and Burundi offer regional growth opportunities as these markets experience similar demand trends for safe drinking water, coupled with growing urbanization and health awareness.

7.3. Product Strategy

WATERCOM LIMITED will offer a diversified product range including bottled water sizes such as 500 milliliters, 1 liter, and 5 liters to cater to different consumption occasions and affordability levels. The company will utilize advanced purification technology, including filtration, UV treatment, and ozonation, ensuring compliance with Tanzania Bureau of Standards and World

Health Organization quality guidelines Packaging will emphasize sustainability using recyclable materials clearly branded with health and safety certifications

In the medium term the company plans to explore innovation through the introduction of value-added products including flavored water options and mineral-enriched varieties to capture niche consumer preferences and enhance market share

7.4. Pricing Strategy

The company will adopt a competitive pricing model designed to penetrate the market while maintaining product quality Profit margins will be balanced against consumer affordability enabling both volume growth and sustainable returns Volume discounts and incentives will be offered to corporate clients bulk buyers and distributors to encourage larger orders and foster long-term relationships Promotional pricing will be deployed strategically during product launches seasonal campaigns and events to stimulate trial and brand adoption

7.5. Distribution Strategy

WATERCOM LIMITED will establish a multi-channel distribution network Direct sales teams will focus on servicing large corporate and institutional clients ensuring reliability and customized service Retail partnerships with supermarkets convenience stores and wholesalers will increase product availability to end consumers The company will also engage third-party distributors to extend reach into regional and rural areas beyond Dar es Salaam.

Recognizing the rising trend in digital commerce the company will develop an online ordering platform enabling consumers and businesses to conveniently purchase products supported by efficient delivery services This e-commerce channel will open additional revenue streams and cater to evolving customer purchasing habits

7.6. Promotion and Advertising Strategy

Brand awareness will be built through a comprehensive multi-channel advertising campaign utilizing radio television social media and print media to maximize reach The messaging will focus on product purity health benefits and WATERCOM LIMITED's commitment to sustainability Community engagement programs including participation in water sanitation and health awareness initiatives will enhance corporate social responsibility credentials and strengthen local relationships Sponsorship of local events and collaborations with health organizations will further embed the brand within the community

Point-of-sale marketing efforts will include eye-catching in-store displays branded signage and product sampling to encourage consumer trials and impulse purchases Digital marketing efforts will focus on maintaining an active presence on popular social media platforms content marketing search engine optimization and influencer partnerships targeting younger demographics Public relations activities will involve regular communication with media outlets sharing stories about water safety innovations company milestones and social impact to enhance public perception and trust

7.7.Sales Team and Incentive Programs

A skilled and motivated sales force will be recruited and trained to effectively communicate product benefits understand customer needs and close sales The company will implement performance-based incentives commissions and bonuses to encourage high productivity and customer acquisition Continuous professional development through training sessions in sales techniques customer relationship management and market intelligence gathering will ensure the team remains competitive and responsive

7.8. Customer Service and Retention

WATERCOM LIMITED will establish a responsive customer service center equipped to handle inquiries complaints and feedback promptly Ensuring high customer satisfaction will be a priority Regular follow-ups with institutional clients will be made to maintain service quality and adapt to changing needs Customer loyalty programs will be introduced offering rewards discounts and exclusive offers to repeat customers and large volume buyers thereby fostering long-term brand allegiance.

7.9. Monitoring and Evaluation

The company will continuously monitor sales performance market share and customer satisfaction using key performance indicators and feedback mechanisms This data-driven approach will inform strategic adjustments in marketing and sales efforts Competitor activities will be regularly analyzed to identify emerging trends and threats allowing proactive response to maintain competitive advantage

Periodic market research and consumer surveys will be conducted to understand evolving consumer preferences and ensure product offerings and messaging remain relevant and compelling

8.0. PLANT CAPACITY

8.1. Current Production Capacity

WATERCOM LIMITED currently operates a production facility capable of producing 10,000 liters of pure drinking water per day This capacity serves the existing market in Dar es Salaam and surrounding areas but is insufficient to meet growing demand driven by population growth urbanization and increasing health awareness

8.2. Expanded Production Capacity

The expansion project aims to increase production capacity significantly to 100,000 liters per day This tenfold increase will be achieved through the installation of modern water purification and bottling equipment including advanced filtration systems ultraviolet sterilization ozonation and automated bottling lines

The upgraded plant will be designed to operate efficiently with minimal downtime ensuring consistent supply to meet both domestic and regional demand The increased capacity will enable the company to supply larger volumes to institutional clients retail outlets and export markets

8.3. Production Process

The expanded plant will incorporate a multi-stage purification process to ensure the highest quality water This process will include pre-filtration to remove suspended solids activated carbon filtration to eliminate chlorine and organic contaminants reverse osmosis for removal of dissolved salts bacteria and viruses ultraviolet light treatment to destroy pathogens and ozonation for final disinfection

Water will then be bottled in sterile automated filling machines minimizing human contact and contamination The packaging process will include quality checks and labeling compliant with regulatory standards

8.4. Operational Efficiency and Scalability

The plant will be equipped with energy-efficient machinery and water recycling systems to minimize environmental impact and reduce operational costs The layout will allow for future scalability enabling further capacity increases as market demand grows without requiring major facility overhauls

Maintenance protocols and skilled technical staff will ensure optimal performance and longevity of the plant equipment

8.5. Quality Control

Strict quality control measures will be implemented throughout the production process including regular laboratory testing of water samples to ensure compliance with Tanzania Bureau of Standards WHO guidelines and other relevant certifications The company will establish a dedicated quality assurance team responsible for monitoring and reporting quality metrics

9.0. RISK ANALYSIS & MITIGATION

Risk Category	Description of Risk	Mitigation Measures
Market Risks	Demand fluctuations due to changes in consumer preferences economic downturns or increased competition	Conduct regular market research diversify product offerings implement aggressive marketing to build brand loyalty
Operational Risks	Equipment breakdowns production delays or supply chain disruptions impacting plant efficiency and delivery	Invest in high-quality machinery preventive maintenance inventory of spare parts multiple supplier relationships
Financial Risks	Currency fluctuations inflation or unexpected cost increases affecting profitability	Prudent financial planning hedging strategies maintain contingency funds continuous financial monitoring
Regulatory & Compliance Risks	Changes in government regulations environmental laws or health and safety standards imposing extra costs	Maintain communication with regulators ensure compliance conduct audits staff training on updated regulations
Environmental Risks	Water source contamination water scarcity or environmental damage affecting production sustainability	Sustainable water sourcing environmental impact assessments water recycling technologies
Health & Safety Risks	Employee accidents or exposure to hazardous materials	Enforce strict health and safety protocols regular training safe working environment protective equipment emergency plans
Reputational Risks	Negative publicity from product recalls contamination or poor customer service	Rigorous quality control transparent communication crisis management plan

10. ENVIRONMENTAL & SOCIAL IMPACT

10.1. Environmental Impact

The expansion of WATERCOM LIMITED's pure drinking water production will have several positive and manageable environmental impacts. The project incorporates sustainable water sourcing practices to ensure that local water tables are not depleted or contaminated. Advanced water treatment and recycling systems will minimize water waste and reduce environmental footprint.

Energy-efficient machinery and equipment will be used to lower power consumption and greenhouse gas emissions. The company is committed to using eco-friendly packaging materials that are recyclable, reducing plastic pollution and supporting Tanzania's environmental conservation goals.

Regular environmental impact assessments will be conducted to monitor the effects of production activities on the surrounding ecosystem and enable timely corrective actions. Waste management protocols will be established to safely dispose of or recycle by-products, minimizing soil, air, and water pollution.

10.2. Social Impact

The expansion project is expected to generate significant social benefits, including the creation of direct and indirect employment opportunities for the local community in Kigamboni district. This will improve livelihoods and contribute to poverty reduction.

By providing safe, affordable drinking water, the project will enhance public health outcomes, reducing waterborne diseases and promoting wellbeing among consumers. The company will engage in community outreach programs focusing on water sanitation, hygiene, and environmental awareness.

WATERCOM LIMITED will also prioritize local procurement wherever feasible, supporting local businesses and fostering economic development in the region. The company will ensure fair labor practices, promote gender equality, and provide safe working conditions, adhering to national labor laws and international standards.

10.3. Corporate Social Responsibility

The company will actively participate in local development initiatives such as sponsoring clean water campaigns supporting education and health projects and collaborating with government and NGOs to advance sustainable development goals in Tanzania

11. EXIT STRATEGY & FUTURE GROWTH

11.1. Exit Strategy

WATERCOM LIMITED has developed a clear and flexible exit strategy to safeguard investors' interests and ensure a smooth transition when the time to exit arises. The company may pursue one or a combination of the following exit options depending on market conditions and business performance.

Strategic Sale; The company may sell its stake to a strategic partner such as a larger beverage or water company looking to expand their presence in Tanzania or East Africa. This option provides an opportunity for value realization and synergy benefits.

Initial Public Offering (IPO); Listing on the Dar es Salaam Stock Exchange or another regional exchange is a potential exit route. The IPO would allow shareholders to monetize their investment while raising capital for further growth and enhancing company visibility.

Management Buyout; In some cases, the existing management team or key employees may acquire ownership stakes, providing continuity and preserving institutional knowledge. This option aligns interests and can facilitate smoother operations post-exit.

Private Equity Sale; Selling to a private equity firm interested in long-term growth prospects and value creation is another viable exit option. The company would benefit from capital injection and strategic support.

11.2. Future Growth Opportunities

Post-expansion WATERCOM LIMITED plans to pursue multiple growth avenues to consolidate its market leadership and diversify revenue streams. These include;

Product Diversification; Introducing new product lines such as flavored waters, vitamin-enhanced waters, and other healthy beverages to cater to evolving consumer preferences and expand market share.

Geographical Expansion; Expanding distribution networks to other regions within Tanzania and targeting export markets across East Africa, leveraging existing trade agreements and logistics infrastructure.

Technological Upgrades; Investing in continuous modernization of production technology to improve efficiency, reduce costs, and maintain product quality, ensuring competitive advantage.

Sustainability Initiatives; Strengthening commitment to environmental sustainability through renewable energy adoption water conservation projects and eco-friendly packaging innovations enhancing brand reputation and compliance

Strategic Partnerships; Forming alliances with retailers distributors NGOs and government agencies to increase market penetration enhance supply chains and promote community engagement

By adopting a proactive exit strategy combined with ambitious future growth plans WATERCOM LIMITED aims to maximize returns for shareholders while contributing positively to Tanzania's economic and social development

12.0. CONCLUSION AND RECOMMENDATIONS

12.1. Conclusion

The expansion project of WATERCOM LIMITED presents a strategically sound and economically viable opportunity to meet the rising demand for pure drinking water in Tanzania and the East African region. With a strong foundation, solid infrastructure, and a clearly defined business model, the company is well positioned to scale operations, increase production capacity, and enhance its market share.

This project aligns with national development goals and contributes significantly to public health, employment creation, and environmental sustainability. The investment of over ninety million US dollars will not only support operational efficiency but also ensure the company's competitiveness in a rapidly growing sector.

The comprehensive business plan addresses all critical components, including market analysis, technical requirements, financial projections, environmental and social impact, risk mitigation, and marketing strategy. The analysis confirms the project's profitability, long-term sustainability, and potential for regional expansion.

12.2. Recommendations

- a. Proceed with the full implementation of the expansion project as it meets both market demand and financial return expectations.
- b. Secure necessary regulatory approvals and maintain close collaboration with relevant authorities to ensure compliance throughout construction and operation.
- c. Prioritize the recruitment and training of qualified local personnel to enhance operational capacity and support job creation in the community.
- d. Invest in robust quality control systems and modern purification technologies to maintain high product standards and consumer trust.
- e. Strengthen the marketing and distribution strategy to rapidly capture market share and establish strong retail and institutional partnerships.
- f. Monitor financial performance regularly to adjust operational strategies, improve cost efficiency, and ensure sustained profitability.
- g. Engage in continuous environmental and social impact monitoring to promote sustainability and maintain a positive reputation among stakeholders.

- h. Explore future growth opportunities including product diversification digital sales platforms and potential export markets within East Africa,
- i. Maintain transparency with investors and partners through regular reporting performance reviews and strategic planning sessions,
- j. Begin evaluating long-term exit strategies early to maximize investor returns and ensure a smooth transition when needed

With effective implementation and management, the WATERCOM LIMITED expansion project has the potential to become a leading model in the water production sector contributing to both commercial success and national development