



## **TAN TRUCKING COMPANY LIMITED**

IMPORTATION OF TRUCKS & TRANSPORTATION OF GOODS BY ROAD PROJECT

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# **BUSINESS PLAN**

Presented To:

**TANZANIA INVESTMENT CENTRE**

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Prepared by

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## I. Introduction

The transportation sector plays a vital role in the economic growth of Tanzania, facilitating trade, industrial operations, and market access. With the increasing demand for efficient logistics solutions, **TAN TRUCKING COMPANY LIMITED** aims to establish a reliable and cost-effective business specializing in the importation of trucks and the transportation of goods by road.

This business plan outlines the strategy for acquiring and operating a fleet of trucks to provide logistics services to businesses in sectors such as agriculture, manufacturing, retail, and construction. By importing high-quality trucks at competitive prices and offering tailored transportation solutions, we will address the growing need for safe, timely, and affordable freight movement.

The project will focus on key trade corridors within Tanzania and across East Africa, leveraging the country's strategic location and economic activities. Our goal is to provide businesses with seamless logistics services while maintaining efficiency, sustainability, and customer satisfaction.

This plan details our market analysis, operational strategy, financial projections, and competitive advantages to ensure the successful implementation of this project.

### A. Mission Statement

Our mission at **Tan Trucking Company Limited** is to establish a leading transportation and logistics company by importing high-quality trucks and providing reliable, efficient, and cost-effective road freight services. We are committed to driving growth by continuously expanding our fleet, enhancing operational efficiency, and extending our reach across Tanzania and the East African region. Through strategic partnerships, innovation, and a customer-centric approach, we aim to scale our business while maintaining excellence in service delivery. Our goal is to become a dominant player in the transportation sector, contributing to economic development and trade facilitation through sustainable and scalable logistics solutions.

### B. Summary of the Business Concept

**Tan Trucking Company Limited** is a transportation and logistics company focused on the importation of high-quality trucks and the efficient movement of goods by road. The business will operate a fleet of trucks to provide cost-effective and reliable logistics solutions to industries such as

agriculture, manufacturing, retail, and construction across Tanzania and the East African region.

Our strategy involves sourcing durable and fuel-efficient trucks from international suppliers, ensuring compliance with local regulations, and leveraging technology to optimize fleet management. By offering flexible and scalable transportation services, we aim to establish a strong market presence and expand our operations regionally.

With a focus on growth and expansion, our long-term vision includes increasing our fleet size, diversifying our service offerings, and exploring cross-border logistics opportunities. Through strategic partnerships and excellent customer service, **Tan Trucking Company Limited** will become a trusted leader in the road transportation sector.

## C. Objectives

### First Five Years

1. Establish a Strong Market Presence – Successfully launch the business and position **Tan Trucking Company Limited** as a reliable provider of road transportation and logistics services in Tanzania.
2. Import High-Quality Trucks – Source and import durable, fuel-efficient, and cost-effective trucks that comply with local regulations and industry standards.
3. Develop a Reliable and Scalable Fleet – Start with an initial fleet and gradually expand operations by increasing the number of trucks based on demand and profitability.
4. Ensure Operational Efficiency – Implement effective fleet management systems, optimize routes, and reduce operational costs while maintaining high service standards.
5. Ensure Compliance and Safety – Adhere to all government regulations, industry standards, and road safety measures to build a reputable and legally compliant business.

### After Five Years

6. Achieve Sustainable Growth and Expansion – Expand services beyond Tanzania into key East African trade corridors to tap into regional logistics opportunities.
7. Build Strong Business Relationships – Establish long-term partnerships with manufacturers, wholesalers, retailers, and other industries that require reliable transport solutions.
8. Enhance Customer Satisfaction – Provide timely, safe, and professional transportation services, ensuring high customer retention and positive referrals.
9. Adopt Technology and Innovation – Utilize GPS tracking, fleet management software, and data analytics to improve service delivery and operational decision-making.
10. Continue to Ensure Compliance and Safety – Adhere to all government regulations, industry standards, and road safety measures to build a reputable and legally compliant business.
11. Maximize Profitability and Financial Stability – Implement sound financial management strategies to ensure steady revenue growth, cost control, and long-term business sustainability.

#### **D. Key to Success**

The bedrock of our anticipated success lies in three pivotal elements:

Well Maintained  
Trucks

Outstanding Fleet  
Management

Competitive Pricing  
Strategy

## **II. Company Overview**

### **A. Legal Structure**

**Tan Trucking Company Limited** operates as a Limited Liability Company (LLC). The legal certificates and documents such as Memorandum and Article of Association, Certificate of incorporation & Tax Identification Number. Justify that **Tan Trucking Company Limited** is operating within the ambit of the

law of Tanzania. This structure not only offers protection of personal assets but also provides flexibility in operations and tax benefits, ensuring the sustainable growth of our enterprise.

## B. History

The origin of **Tan Trucking Company Limited** begins in **2025**, a product & vision of **Mr. Guodeng Chen & Mr. Manjian Chen (Company Shareholders)**. The company was established with the vision of providing efficient and reliable transportation services to meet the growing demand for road-based logistics in Tanzania. With a deep understanding of the local market and a strong commitment to quality, **Tan Trucking Company Limited** aim to quickly grow into a key player in the transportation industry, offering tailored solutions for both local and regional cargo transport.

## C. Current Position and Assets

After having secured a lease in a prime downtown location, our assets will include a diverse fleet, cutting-edge fleet management technology, and a team of skilled professionals committed to providing high-quality services. As we build stronger relationships with clients and suppliers, our financial position will enable steady growth and future expansion. We will optimize operations, ensuring that we remain well-positioned to scale and enhance our service offerings to meet evolving market needs.

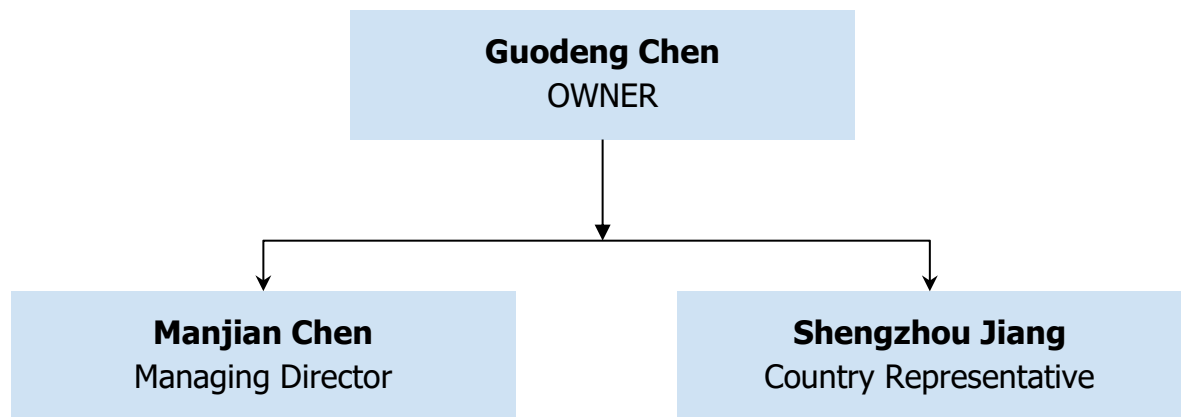
## D. Financing Plan

<b>Financing</b>	<b>\$</b>
<b>Long-term liabilities</b>	
Long-term Equity	200,000
<b>Owner's equity</b>	
Cash	200,000
Contributed asset value	100,000
<b>Total</b>	<b>500,000</b>

<b>COST INVESTMENT STRUCTURE</b>	<b>\$</b>
<b>Current assets</b>	
Working capital	100,000
Opening inventory	50,000
Other	10,000

<b>Property and equipment</b>	
Land	50,000
Building	25,000
Equipment	20,000
Furniture and fixtures	3,000
Leasehold improvements	2,000
Plant	150,000
Motor Vehicles	40,000
Other _____	50,000
<b>Total assets</b>	<b>500,000.00</b>

### E. Team Structure



### III. Products & Services

We provide reliable and efficient road transportation services for a wide range of cargo, including bulk goods, construction materials, and temperature-sensitive products. Our fleet includes modern trucks and specialized vehicles designed to handle various types of freight, ensuring safe and timely deliveries. We also offer customized logistics solutions, including route planning, real-time tracking, and flexible scheduling, to meet the specific needs of our clients. Our focus is on delivering high-quality, cost-effective, and dependable services that support the growth and success of our customers’ businesses.

#### A. Our Products

Product	Description	Key Highlights
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Truck Importation & Leasing	Import and sell durable, fuel-efficient trucks for businesses needing transportation solutions.	Offer truck leasing options for companies that require logistics support without the high upfront investment of purchasing vehicles.
Freight Transportation Services	Provide road transportation for goods across Tanzania, serving industries such as agriculture, manufacturing, retail, and construction.	Offer full truckload (FTL) and less-than-truckload (LTL) services to accommodate different cargo volumes and business needs.
Dedicated Contract Carriage	Provide long-term contract-based transportation services where businesses can outsource their logistics needs with guaranteed truck availability and customized solutions.	
Fleet Management & Logistics Solutions	Fleet Management & Logistics Solutions.	Provide route planning and load optimization solutions to enhance efficiency and reduce costs.

## **B. Unique Selling Proposition (USP)**

At **Tan Trucking Company Limited**, we believe in.

- ✓ High-Quality Imported Trucks at Competitive Prices
- ✓ Flexible Transportation Solutions

- ✓ Dedicated & Customized Logistics Services
- ✓ Advanced Fleet Management Technology
- ✓ Strong Focus on Customer Satisfaction

## **C. Company Lifecycle**

### **1. Startup Phase (0 – 1 Year)**

- **Business Registration & Licensing** – Complete legal setup, acquire necessary permits, and register the business.
- **Initial Fleet Acquisition** – Import the first batch of trucks and set up operational infrastructure.
- **Market Entry & Branding** – Establish brand identity, launch marketing campaigns, and secure first clients.
- **Pilot Operations** – Begin transportation services with a focus on key industries (agriculture, retail, construction, etc.).
- **Establish Strategic Partnerships** – Form relationships with suppliers, fuel providers, spare parts dealers, and financial institutions.

### **2. Growth & Expansion Phase (1 – 5 Years)**

- **Fleet Expansion** – Increase the number of trucks based on demand and profitability.
- **Service Diversification** – Introduce contract carriage, leasing options, and dedicated logistics solutions.
- **Technology Integration** – Implement GPS tracking, fleet management systems, and automated customer service tools.
- **Regional Expansion** – Explore operations in additional Tanzanian cities and start preparing for cross-border logistics.
- **Financial Stability** – Strengthen revenue streams and explore funding or partnerships for sustainable growth.

### **3. Maturity Phase (5 – 10 Years)**

- **Market Leadership Positioning** – Establish the company as a top player in the Tanzanian logistics industry.
- **Warehousing & Distribution Services** – Invest in small-scale warehouses to offer storage and last-mile delivery.

- **Cross-Border Transport Operations** – Expand into key trade corridors in Kenya, Uganda, Rwanda, and beyond.
- **Process Optimization** – Improve operational efficiency through automation and data-driven decision-making.
- **Customer Base Expansion** – Secure long-term contracts with large enterprises and multinational companies.

#### 4. Scaling & Diversification (Beyond 10 Years)

- **Large-Scale Fleet Operations** – Operate a large, well-maintained fleet with diverse truck types.
- **International Expansion** – Strengthen regional presence and explore opportunities in other African markets.
- **Sustainability & Green Logistics** – Invest in eco-friendly trucks and fuel-efficient transport solutions.
- **Diversified Business Model** – Expand into related sectors such as vehicle maintenance services, truck sales, and logistics consulting.

### IV. Market Analysis

The transportation and logistics sector in Tanzania is experiencing strong growth, driven by increasing demand for reliable and cost-effective freight services in industries such as agriculture, manufacturing, retail, and construction. With improvements in infrastructure and regional trade agreements, businesses require efficient road transportation to support local and cross-border trade. **Tan Trucking Company Limited** will capitalize on this demand by offering high-quality, fuel-efficient trucks and leveraging fleet management technology to ensure timely and safe deliveries. Despite competition from informal transporters, the company will differentiate itself through professional services, flexible leasing options, and a focus on customer satisfaction, positioning itself for growth in both domestic and regional markets.

#### A. Target Market & Their Needs

Demographic	Needs
Agriculture	<ul style="list-style-type: none"> <li>✓ <b>Timely delivery</b> of fresh produce, grains, and livestock to local and export markets.</li> <li>✓ <b>Temperature-controlled transport</b> for perishable goods.</li> </ul>

	<ul style="list-style-type: none"> <li>✓ <b>Cost-effective transportation</b> solutions for small and medium-scale farmers.</li> </ul>
Manufacturing & Construction	<ul style="list-style-type: none"> <li>✓ <b>Reliable transportation</b> for raw materials, machinery, and finished products.</li> <li>✓ <b>Heavy-duty trucks</b> for large-scale construction materials such as cement, steel, and aggregates.</li> <li>✓ <b>Efficient scheduling and delivery</b> to avoid delays in production or construction timelines.</li> </ul>
Retail & Wholesale	<ul style="list-style-type: none"> <li>✓ <b>On-time delivery</b> of fast-moving consumer goods (FMCG) and merchandise to retail stores and wholesalers.</li> <li>✓ <b>Flexible shipping options</b> to cater to varying inventory sizes and delivery timelines.</li> <li>✓ <b>Affordable freight services</b> to reduce overall distribution costs.</li> </ul>

## B. Market Trends

The current market landscape is characterized by several favorable trends for businesses like this:

### **Growth in E-Commerce**

As online shopping continues to grow in Tanzania and across East Africa, there is an increasing demand for last-mile delivery services. Retailers are looking for reliable, timely, and cost-effective transportation solutions to meet customer expectations for faster deliveries.

### **Expansion of Regional Trade**

The East African Community (EAC) trade agreements are facilitating cross-border trade, leading to increased demand for cross-border transportation services. This trend presents a significant opportunity for logistics companies to expand their services into neighboring countries like Kenya, Uganda, and Rwanda.

### **Adoption of Technology in Fleet Management**

There is a growing trend towards the adoption of digital tools like GPS tracking, route optimization software, and fleet management systems. These

technologies help businesses improve operational efficiency, reduce costs, and provide better service to clients by enhancing fleet visibility and performance.

### **Sustainability in Transportation**

As environmental concerns grow, there is an increasing demand for fuel-efficient trucks and eco-friendly transportation solutions. Companies are looking for ways to reduce their carbon footprint while keeping operational costs low. This trend is driving the market for cleaner, more sustainable vehicles in the logistics sector.

### **Demand for Flexible and Scalable Logistics Solutions**

Many businesses, particularly SMEs, require flexible logistics services that can scale with their growth. This includes options like truck leasing, on-demand freight services, and tailored logistics solutions to suit the specific needs of different industries and seasonal demands.

### **Infrastructure Development**

Improvements in road networks and the construction of transport corridors are enhancing the efficiency of road transportation in Tanzania. The government's focus on infrastructure projects is making logistics operations smoother, reducing transportation time, and improving reliability.

### **Increased Focus on Customer Experience**

Businesses are focusing more on customer-centric services in the logistics industry. Companies are looking for providers who offer transparent tracking systems, timely updates, and personalized customer support, to ensure high satisfaction levels and build long-term relationships.

## **C. Market Growth & Industry Analysis**

The transportation and logistics industry in Tanzania is experiencing significant growth, driven by increasing demand for efficient, cost-effective solutions across key sectors like agriculture, manufacturing, retail, and construction. With improvements in road infrastructure and regional trade agreements within the East African Community (EAC), cross-border logistics are expanding, presenting new opportunities for growth. The rise of e-commerce is fueling the need for fast and reliable last-mile delivery services, while technological advancements in fleet management, such as GPS tracking and

route optimization, are enhancing operational efficiency. As businesses, particularly SMEs, seek flexible, scalable logistics solutions, the industry is shifting towards more eco-friendly and customer-centric models, positioning itself for long-term development and regional expansion.

## V. Competitive Analysis

Every thriving market landscape is accompanied by competition, for **Tan Trucking Company Limited** there is no exception. For **Tan Trucking Company Limited** to carve its goals and succeed, it's essential to understand the competitive terrain, assess the major players, and strategize our unique positioning.

### A. Major Competitors

The Tanzanian transportation and logistics industry is composed of various players, including large-scale logistics companies, small and medium-sized transporters, and informal truck owners. The key competitors in the market include:

- **Large Logistics Companies** – These firms typically offer a broad range of services, including full truckload (FTL), less-than-truckload (LTL), warehousing, and cross-border transport services. They tend to have a larger fleet, more advanced technology, and established customer bases.
- **Independent Truck Owners** – Many small businesses and independent drivers operate within the market, offering flexible and affordable transport services. However, these competitors often lack standardized service, professional fleet management, and technology integration.
- **Informal Transporters** – Informal transporters, often with a small number of trucks, tend to provide cost-effective, albeit less reliable, services. These competitors may undercut pricing but often lack consistency in terms of delivery times and vehicle maintenance.

### B. Competitive Advantage of Tan Trucking Company Limited

- **Fleet Reliability & Maintenance** – Unlike informal transporters, our trucks will be professionally maintained and tracked, ensuring timely, safe deliveries and reducing downtime.
- **Technology Integration** – By utilizing GPS tracking, route optimization, and automated fleet management, we can provide greater transparency and efficiency, which many competitors, particularly smaller ones, lack.

- **Scalable Services** – We will offer leasing options, allowing businesses to scale their logistics operations as needed, a service not widely available from informal competitors.
- **Customer-Centric Approach** – With a focus on personalized service and flexibility, we will address the needs of SMEs, who often face challenges with larger, less responsive logistics providers.
- **Regional Expansion Focus** – As cross-border trade increases, we will differentiate ourselves by providing cross-border transport services, allowing us to tap into the growing market for East African trade.

Barriers to Entry	Window of Opportunity
<ul style="list-style-type: none"> <li>• <b>High Initial Capital Investment.</b> Establishing a fleet of trucks and acquiring necessary infrastructure (warehouses, maintenance facilities, etc.) requires significant upfront investment. Many startups may struggle to secure funding or financing for such large capital expenses. Initial investment on premium equipment and organic ingredients can be substantial.</li> <li>• <b>Access to Technology</b> Implementing fleet management and logistics optimization technologies (such as GPS tracking, route optimization, and real-time data management) requires both financial resources and technical expertise, which may</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Regional Trade Expansion</b> The East African Community (EAC) is fostering greater trade between countries like Kenya, Uganda, and Tanzania. This has created a demand for cross-border transport services, offering new opportunities for companies to focus on regional logistics.</li> <li>• <b>Outsourcing by Large Enterprises</b> Many large companies are outsourcing logistics to third-party providers to reduce overhead costs. This provides a chance for smaller players to offer flexible and cost-effective solutions to meet the growing needs of businesses that do not want to handle logistics in-house.</li> </ul>

be a barrier for smaller businesses.

## VI. Marketing & Sales Strategy

To resonate with our target audience and establish **Tan Trucking Company Limited** as a premier brand in the industry, a robust and dynamic marketing and sales strategy is imperative. We've designed our approach to foster branding, maximize outreach, and drive consistent sales.

### 1. Branding and Positioning

- **Brand Identity:** **Tan Trucking Company Limited** as a reliable, customer-centric, and innovative logistics provider. The focus will be on timely deliveries, cost-effective solutions, and flexibility, especially for small and medium-sized businesses (SMEs) and regional trade.
- **Value Proposition:** Offer personalized services with advanced fleet management and real-time tracking, providing peace of mind and transparency for customers. Highlight the eco-friendly nature of the fleet, if applicable.

### 2. Target Market Focus

- **Key Sectors:** Focus marketing efforts on key industries such as agriculture, manufacturing, construction, e-commerce, and cross-border trade. Develop tailored solutions for each sector (e.g., perishable goods transport for agriculture, bulk material transport for construction).
- **SMEs and Regional Businesses:** Emphasize flexibility, affordability, and scalability for small businesses that need transport but lack the resources to manage their own fleets.

### 3. Online Marketing and Digital Presence

- **Website & SEO:** Build a professional website that outlines services, pricing, and fleet details. Optimize for local search terms like "Tanzania transport services" and "East Africa logistics." Include a tracking portal for customers to check the status of their deliveries.
- **Social Media Marketing:** Use platforms like Facebook, Instagram, and LinkedIn to showcase success stories, customer testimonials, and behind-the-scenes looks at the fleet in action. Engage with potential clients by posting

regular content about logistics solutions, industry trends, and customer case studies.

- **Google Ads & Social Media Ads:** Run targeted ads for specific industries and regions, emphasizing timely, reliable transport and custom services.
- **Content Marketing:** Start a blog or newsletter offering valuable insights about the logistics industry, trends, and tips for businesses that need transport solutions.

#### **4. Partnership Development**

- **Local Businesses and Trade Associations:** Partner with local manufacturers, agricultural suppliers, and retailers to offer them tailored logistics solutions. Collaborate with trade associations to tap into a wider network of businesses.
- **Cross-Border Trade Partnerships:** Establish relationships with companies operating in neighboring East African countries (e.g., Kenya, Uganda, Rwanda). Collaborating with customs brokers and freight forwarders can ensure smooth international operations.

#### **5. Referral Program**

- **Incentivize Word-of-Mouth:** Launch a referral program that rewards customers for referring new businesses. Offer discounts or free services for successful referrals, encouraging existing customers to spread the word.

#### **6. Customer-Centric Sales Approach**

- **Consultative Selling:** Train the sales team to take a consultative approach by offering tailored transport solutions that meet the unique needs of each client, rather than pushing a one-size-fits-all model. This can be particularly effective for businesses with specialized needs (e.g., temperature-controlled transport for perishable goods).
- **Competitive Pricing & Flexible Terms:** Offer competitive rates and flexible leasing options for clients who need to scale their operations. Highlight the cost savings and predictable monthly expenses for businesses that lease vehicles.
- **Post-Sale Support:** Offer exceptional after-sales service, including 24/7 customer support for tracking shipments and addressing any concerns during transport. Follow up with customers regularly to ensure satisfaction and gain insights for continuous improvement.

#### **7. Trade Shows and Industry Events**

- **Exhibit at Trade Shows:** Participate in logistics and transportation trade fairs to meet potential customers and partners. Show off your fleet and emphasize your commitment to eco-friendly and advanced logistics solutions.
- **Networking:** Attend industry events and networking sessions to establish connections with other players in the supply chain and logistics industries.

## 8. Sales Forecasting and CRM

- **Customer Relationship Management (CRM):** Implement a CRM system to track customer interactions, understand their needs, and personalize sales approaches. This system can help identify the most profitable segments and optimize the sales process.
- **Sales Metrics:** Establish sales KPIs (key performance indicators) such as leads generated, conversion rate, and customer acquisition cost. Use this data to refine marketing strategies and improve sales efficiency.

## VII. Operations

### A. Location

**Main Office and Headquarters** will be in **Dar es Salaam**, the commercial hub of Tanzania and home to the Port of Dar es Salaam. This location provides easy access to international trade routes and the central business district, where we'll find potential clients in industries like manufacturing, agriculture, and retail. Advantages:

- ✓ Proximity to the port for easier handling of imports and exports.
- ✓ Access to a large pool of business clients and partners.
- ✓ Strong infrastructure (roads, telecommunications, utilities).

### B. Production Process

At **Tan Trucking Company Limited**, our production process begins when we receive a customer order, after which we carefully plan the optimal route and schedule for the delivery. We ensure our vehicles are well-maintained and ready for the journey, and once the cargo is loaded, we monitor the shipment in real-time to ensure timely delivery. Upon arrival, we unload the goods and obtain proof of delivery. After delivery, we follow up with customers for feedback, process invoices, and collect payments. We continually optimize our operations through advanced technology, ongoing staff training, and performance reviews to maintain efficiency and high customer satisfaction.

### C. Suppliers

We rely on key suppliers including vehicle manufacturers, fuel providers, maintenance and repair services, technology providers for fleet management and tracking, insurance companies for coverage, packaging suppliers for specialized needs, and customs brokers for cross-border shipments. These partnerships ensure our fleet remains operational, efficient, and compliant while delivering reliable, secure, and cost-effective transportation solutions to our customers.

#### **D. Management & Personnel**

Our management team is composed of experienced professionals with expertise in logistics, operations, and customer service. We have a skilled workforce that includes drivers, fleet maintenance technicians, logistics coordinators, and customer support staff, all dedicated to ensuring smooth operations. Our leadership fosters a culture of efficiency, safety, and customer satisfaction, while ongoing training and development programs ensure our team stays ahead in the fast-paced logistics industry.

#### **E. Equipment & Technology**

We utilize advanced equipment and technology to streamline our operations. Our fleet includes modern trucks and specialized vehicles, supported by cutting-edge fleet management software and GPS tracking systems for real-time monitoring. We also employ route optimization tools to improve efficiency and reduce costs, while maintaining a focus on safety and regulatory compliance. By integrating these technologies, we ensure timely deliveries, minimize downtime, and provide top-tier service to our customers.

### **VIII. Financial Projections**

Financial projections offer a roadmap of expected financial performance, guiding our strategy and decisions. Here, we outline the anticipated financial landscape for the beginning of operation for **Tan Trucking Company Limited**.

#### **A. Start-up Costs**

With an initial investment of **\$500,000**, we project steady growth in revenue as we expand our fleet and customer base. Our financial projections indicate a positive cash flow within the first year, with anticipated profits driven by increased demand for transportation services. Over the next 3-5 years, we

expect a significant increase in earnings as we scale operations, optimize routes, and enhance service offerings, ensuring a sustainable and profitable future. These projections are based on a strong market demand, efficient cost management, and strategic investments in technology and infrastructure.

- Leasehold improvements: Setting up the office, renovations, signage, etc.
- Equipment: modern trucks and specialized vehicles, etc.

## B. 5- Years Financial Projections

	Pre-Startup EST	,2025	2026	2027	2028	2029	Total
<b>Cash on Hand</b> (beginning month)	\$ -	\$ 500,000	\$ 500,000	\$ 1,900,000	\$ 3,340,000	\$ 4,924,000	\$ 11,164,000
<b>CASH RECEIPTS</b>							
Cash Sales			\$ 1,000,000	\$ 1,000,000	\$ 1,100,000	\$ 1,210,000	\$ 4,310,000
Collections fm CR accounts		\$ -	\$ 400,000	\$ 440,000	\$ 484,000	\$ 532,400	\$ 1,856,400
Estimated Capital for startup	\$ 500,000		\$ -	\$ -	\$ -	\$ -	\$ 500,000
<b>TOTAL CASH RECEIPTS</b>	\$ 500,000	\$ -	\$ 1,400,000	\$ 1,440,000	\$ 1,584,000	\$ 1,742,400	\$ 6,666,400
<b>Cash Available</b> (before cash out)	\$ 500,000	\$ 500,000	\$ 1,900,000	\$ 3,340,000	\$ 4,924,000	\$ 6,666,400	\$ 17,830,400
<b>CASH PAID OUT</b>							
Increases other fixed		\$ -	\$ 7,200	\$ 7,920	\$ 8,712	\$ 9,583	\$ 33,415
Chases vehicles		\$ 80,000	\$ -	\$ 41,000	\$ -	\$ -	\$ 121,000
Salaries wages (exact drawal)		\$ 15,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 255,000
Profil expenses (taxes, insurances)		\$ 4,500	\$ 20,400	\$ 20,400	\$ 20,400	\$ 20,400	\$ 86,100
Supplies (office & oper.)		\$ 1,000	\$ 1,100	\$ 1,210	\$ 1,331	\$ 1,464	\$ 6,105
Repairs & maintenance		\$ 1,250	\$ 1,375	\$ 1,513	\$ 1,664	\$ 1,830	\$ 7,637
Advertising		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 917
Delivery & travel		\$ 1,800	\$ 1,980	\$ 2,178	\$ 2,396	\$ 2,635	\$ 10,989
Accounting & legal		\$ 4,500	\$ 4,950	\$ 5,445	\$ 5,990	\$ 6,588	\$ 27,478
Rent		\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 180,000
Telephone & internet		\$ 120	\$ 132	\$ 145	\$ 160	\$ 176	\$ 633
Utilities		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 817
Insurance		\$ 21,200	\$ 21,412	\$ 21,626	\$ 21,842	\$ 22,061	\$ 108,141
Leases (real estate, etc.)		\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 1,160
Interest		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
Miscellaneous		\$ 200	\$ 220	\$ 242	\$ 266	\$ 293	\$ 1,121
<b>TOTAL</b>	\$ -	\$ 241,110	\$ 230,339	\$ 273,282	\$ 234,400	\$ 236,710	\$ 1,215,861
Loan principal payment		\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 2,431,000
Capital purchase (land)		\$ 100,000					\$ 4,829,000
Capital purchase (equipment)		\$ -	\$ 1,000,000	\$ 100,000	\$ -	\$ -	\$ 9,538,000
Owners' Withdrawal			\$ -	\$ -	\$ 10,000,000	\$ 12,500,000	\$ 18,736,000
<b>TOTAL CASH PAID OUT</b>	\$ -	\$ 1,091,110	\$ 1,980,339	\$ 1,123,282	\$ 10,984,400	\$ 13,486,710	\$ 36,753,530
<b>Cash Position</b> (end of month)	\$ 500,000	\$ (591,110)	\$ (80,339)	\$ 2,216,718	\$ (6,060,400)	\$ (6,820,310)	\$ (18,922,132)

## C. Profit and Loss Forecast

Our profit and loss forecast shows steady revenue growth driven by our expanding fleet and customer base. In the first year, we expect a modest net profit, with expenses primarily focused on vehicle acquisition, maintenance, fuel, and employee salaries. As we scale, revenue will increase due to higher

volume of transport contracts, while operational costs are expected to decrease through efficient route planning and technology integration. By the third year, we anticipate a significant rise in profitability as we achieve economies of scale, optimizing both revenue and costs for sustained profitability.

#### **D. Cash Flow Forecast**

Our cash flow forecast anticipates a positive trend beginning in the first year with consistent inflow from transport contracts. Initial expenses will primarily cover vehicle purchases, maintenance, and operational setup, while revenue will steadily increase as we secure long-term clients and expand our services. We project a healthy cash flow with positive balances by the second year, driven by cost-effective operations and increased demand. By the third year, cash flow will stabilize, allowing for reinvestment into fleet expansion, technology upgrades, and market growth, ensuring financial sustainability and growth potential.

#### **E. Break-even Analysis**

Our break-even analysis indicates that we expect to cover our initial investment and operational costs within the first 18 to 24 months of operation. The break-even point will be reached as we steadily increase our client base, optimize our fleet's efficiency, and enhance our service offerings. By balancing fixed and variable costs, and through effective pricing strategies, we project that once we achieve a certain volume of transport contracts, our revenues will exceed our expenses, positioning the business for profitability and sustained growth.

#### **F. Assumptions**

These projections are based on:

- ✓ Consistent demand for transportation services.
- ✓ Steady market growth in the logistics sector.
- ✓ Successful acquisition and maintenance of a modern fleet.
- ✓ Operational costs will remain manageable with effective route optimization and technology integration.
- ✓ We will secure long-term contracts with reliable clients.
- ✓ Anticipate favorable economic conditions.
- ✓ Regulatory stability that will support our business expansion and profitability.

## **IX. Exit Strategy**

While our primary focus and vision for **Tan Trucking Company Limited** revolve around long-term growth and consistent value delivery to our clients, it's prudent for any business to consider potential exit strategies. This not only offers clarity to our investors but also provides us with a roadmap for possible future scenarios.

### **Selling the Business**

One of the most straightforward exit strategies is to sell the business. sell the business to a larger logistics company or a private equity firm looking to expand its portfolio. As we scale operations, optimize efficiency, and build a strong market presence, we will position the company as an attractive acquisition target. By increasing profitability and ensuring a stable customer base, we aim to achieve a competitive sale price, providing a profitable exit for our stakeholders while ensuring the continued growth and success of the business under new ownership.