



# **BUSINESS PLAN**

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**2025 - 2029**

**YUSUPH RAJAH MDOE**

**YSAB COMPANY LIMIED | P.O. BOX 70967, DAR ES SALAAM, TANZANIA**

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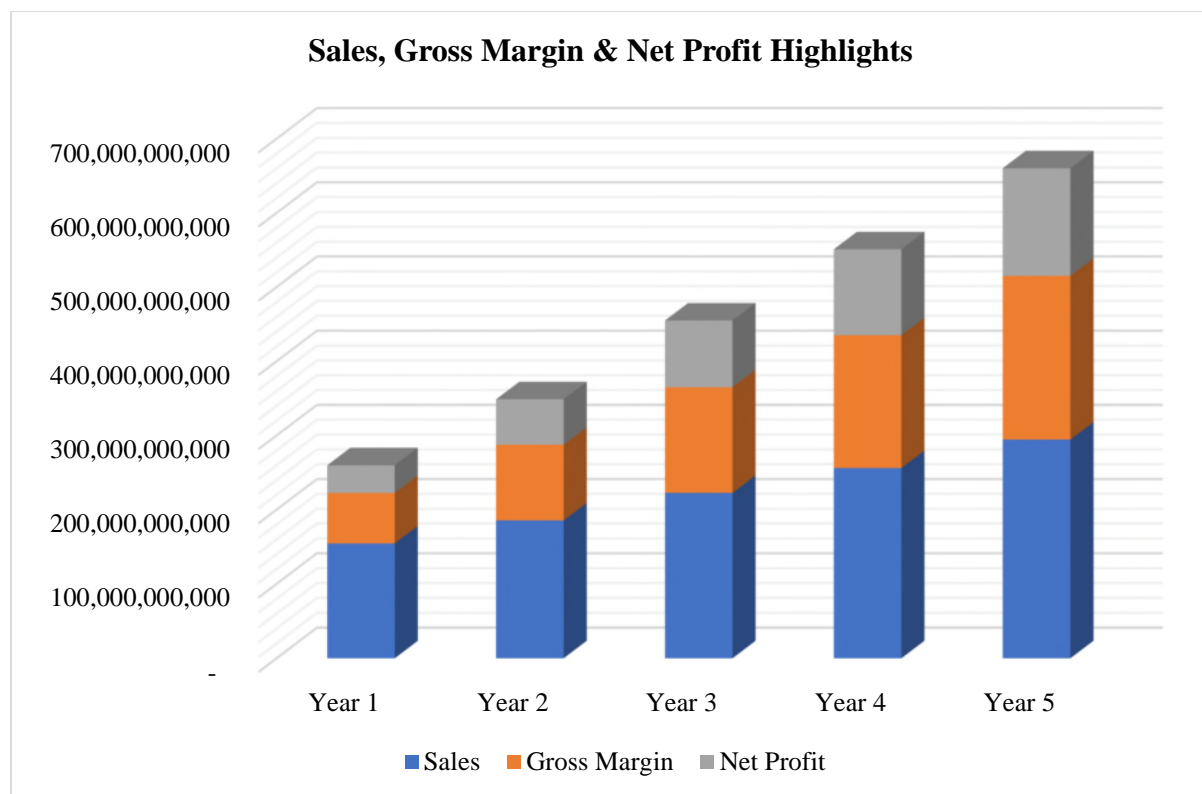
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## 1.0 EXECUTIVE SUMMARY

YSAB Company Limited is a logistics company based on Dar es Salaam and founded by Yusuph Rajah Mdoe, Sophia Rajah Mdoe and Abraham Rajah Mdoe. It is a limited liability company registered by Business Registration and Licensing Agency (BRELA) under the Companies Act No. 12 of 2002 (CAP. 212) with incorporation number 92925 in 10<sup>th</sup> day of August 2012. YSAB Company Limited serve businesses in the East and Central Africa region (which include countries such as; Tanzania, Kenya, Uganda, Rwanda, Burundi, Zambia and Democratic Republic of Congo) with freight hauling and logistics management services. The business will develop a reputation for its on-time and accurate service as well as sophisticated Web and software functionality, allowing clients to align their business with YSAB Company Limited's services and scheduling automatically. The business is managed by Yusuph Rajah Mdoe, CEO, and other hired staffs.

YSAB Company Limited can be launched for about TZS 70,169,888,838 largely with loan from Bank and investment of shareholders. The business will be expanded with trucks, machines and equipment using auto loans to finance this expansion. Gross margins will be around 44%, allowing for significant profit by the end of the year as the business scales up.

Beyond three years, YSAB Company Limited will seek to expand to additional bases of operation and to add trucks with refrigerated and temperature-controlled trailers.



### 1.1 Our Vision

YSAB Company Limited vision is to become the largest and most reliable high-quality logistics services provider in the logistics industry in Tanzania and other East and Central African countries.

## 1.2 Our Mission

YSAB Company Limited's mission is to provide high quality, convenient and comprehensive transportation and logistics services operations at the lowest cost and exceptional customer care services in a loving and caring way with strong emphasis on on-time delivery and sound condition of freight upon delivery.

YSAB Company Limited will use management of logistics, on time, accurate deliveries from destination to destination and partnership with distribution centres and warehousing businesses to achieve its goals.

YSAB Company Limited will simplify freight transport for local businesses and other East and Central Africa businesses, becoming their partner in operating efficiently and reliably.

## 1.3 Our Values

- **Diversity and Respect** is our life blood and govern the way we do business and make YSAB Company Limited stronger. Our diverse workforce mirrors different cultures and viewpoints to create a work environment for our people to express their thoughts and ideas. We treat each other with dignity and respect all individuals and their contribution to the team.
- **Customer Focus** where we value our customers as the fundamental reason for us to be in business. We act on our customers' terms by offering quality products and solutions, with the best customer service possible. We look for every opportunity where we can exceed our customers' expectations.
- **Commitment to Quality and Efficiency**, where we built on our business to deliver this promise at all time by providing value in all that we do.
- **Growth**, where we continuous strive to improve our people and services. This is to ensure our people are always knowledgeable, helpful, and highly qualified to provide courteous, prompt, and dependable service.
- **Responsibility and Result Orientation** characterised by our people taking ownership being accountable for what needs to be done and getting the job done despite obstacles and difficulties.

## 1.4 Our Objectives

YSAB Company Limited serves businesses in the East and Central Africa region (which include countries such as Tanzania, Kenya, Uganda, Rwanda, Burundi, Zambia and Democratic Republic of Congo) with truck-based transit services.

Over the next five years of operations, YSAB Company Limited will seek to meet the following objectives:

- Purchase one hundred 18-wheeler trucks with dry van trailers, two hundred Road tractors, two hundred Heavy-duty tractors, five Recovery trucks, ten Pick-ups Single cabin, ten Pick-ups double cabin, five Forklift, five Cranes/Reach Staker, five Wheel loader/Bobcat, ten Light duty trucks (FUSO), five Light cargo trucks, two Mobile

Workshop, five Generators, five Weighbridges, and other equipment necessary for logistics business

- Hire 242 full-time employees including truck drivers and equipment operators
- Achieve strong annual revenue based on many miles of freight transportation in the third year

### **1.5 Keys to Success**

The keys to success in the YSAB Company Limited logistics business are:

1. Robust communication systems between drivers, operators, bases, and clients
2. Setting delivery schedules that can be met
3. Hiring and retaining reliable, safe drivers and operators as well as in-house mechanics to handle maintenance and repairs
4. Understanding what clients are trying to achieve, and helping them find the right distribution solution to create long-term relationships
5. Having systematic maintenance routines
6. Charging competitive rates to our customers with regard to national authorities' standards

### **1.6 Business Summary**

YSAB Company Limited, a transportation and logistics business headquartered in Dar es Salaam, Tanzania provides freight transport by road solutions and services for business clients in the East and Central Africa countries. Continuing with operations in Tanzania, YSAB Company Limited hauls freight from suppliers to manufacturers to distributors and retailers, operating in partnership with suppliers, distribution centers, warehouses, and wholesalers.

### **1.7 Business Ownership**

YSAB Company Limited is a limited liability company registered by Business Registration and Licensing Agency (BRELA) under the Companies Act No. 12 of 2002 (CAP. 212) with incorporation number 92925 in 10<sup>th</sup> day of August 2012.

YSAB Company Limited is a logistics company based on Dar es Salaam founded and owned by three shareholders namely; Yusuph Rajah Mdoe, Sophia Rajah Mdoe and Abraham Rajah Mdoe previously owners of different businesses.

Directors share ownership at the ration of Yusuph Rajah Mdoe 6,800 Ordinary Shares, Sophia Rajah Mdoe 6,600 Ordinary Shares and Abraham Rajah Mdoe 6,600 Ordinary Shares.

Being owned by shareholders with vast experience in business the company enjoys the services of capable, experienced and dynamic management.

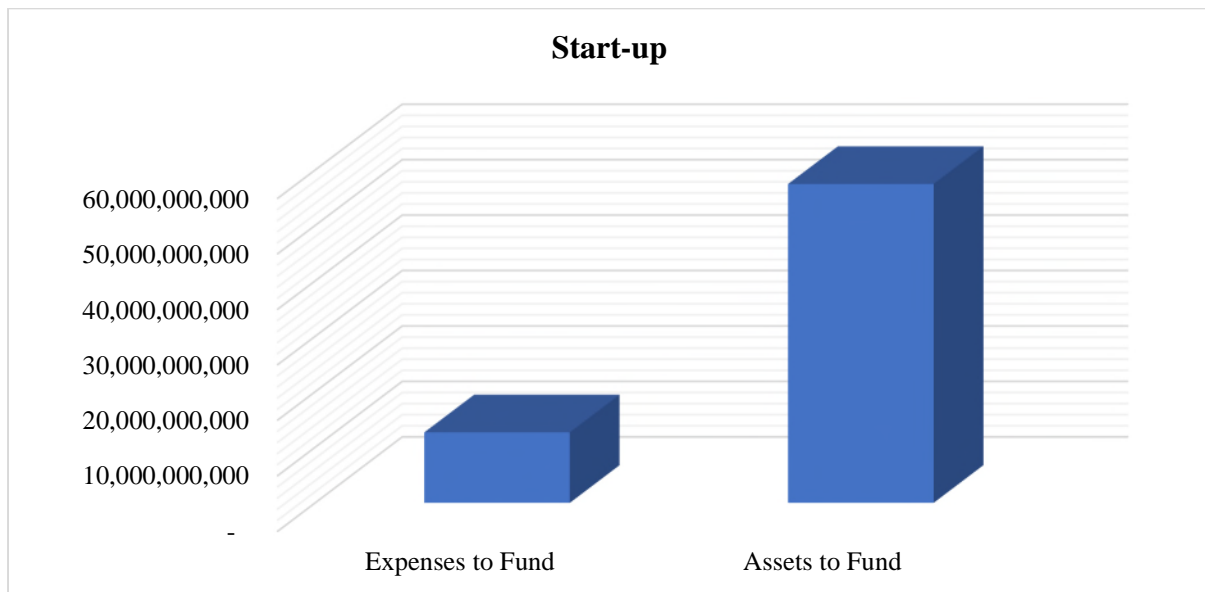
### **1.8 Start-up Summary**

YSAB Company Limited needs TZS 70,169,888,838 to expand its operations of which TZS 12,679,221,318 will be for financing the expenses respectively. The expenses include some of the basic costs for the YSAB Company Limited office – stationery (business cards and letterhead), maintenance of the office and a large adjacent parking lot, security, and computer

equipment. Marketing expenses include brochures and website development (see website plan for more details). Other expenses include legal consultation fees to ensure that all precautions are taken to limit the risk of the business and to establish templates for client and partner agreements, insurance premiums for the first year of operation to cover liability associated with the service, the office, and the trucks, and licenses and permits for the business.

The other TZS 57,490,667,520 will be for purchasing Long-term assets including; 100 18-wheeler trucks with dry van trailers, 200 Road tractors, 200 Heavy-duty tractors, 5 Recovery trucks, 10 Pick-ups Single cabin, 10 Pick-ups double cabin, 5 Forklift, 5 Cranes/Reach Stalker, 5 Wheel loader/Bobcat, 10 Light duty trucks (FUSO), 5 Light cargo trucks, 2 Mobile Workshop, 5 Generators, 5 Weighbridges, Repair equipment and tools, Truck spare parts, Truck tyres and other equipment necessary for logistics business. The business will purchase new in order to better ensure that deliveries are made on time and that the usual risks of aging equipment are avoided. YSAB Company Limited will also have a budget for other long term assets including repair equipment and tools which will be enough to own in-house, satellite-tracking equipment for each truck, and office furniture and other current assets including; office supplies, software for accounting, scheduling, and resource management and light equipment.

The cash required will also be used to fund the months of operation before cash flow break-even is achieved and to allow for adequate cash reserves to reduce the risk of running low on cash if targets are not met. While some trucking businesses hire owner-operators of trucks, YSAB Company Limited will continue to maintain greater control over the service it offers by owning the trucks and equipment, ensuring that it always lives up to its name.



### 1.9 Locations and Facilities

YSAB Company Limited will continue to maintain our office at our own space that provides a traditional office for employees to comfortably work. We will also continue to house and park our trucks, tractors, trailers and other equipment at our own yard in Mapinga, Bagamoyo, Pwani as well. YSAB Company Limited management expects that this space will be enough for the next five years.

## **2.0 PRODUCT AND SERVICES**

YSAB Company Limited provides transit services to countries in the East and Central Africa countries. The following are the services that YSAB Company Limited provides to its customers:

- Logistics services
- Dedicated transit services
- Flatbed hauling services of goods and materials from and to locations in its geographic range by tippers and 18-wheeler trucks hauling dry van trailers
- Both “less than a truck load” and “truck load” services
- Online tracking information detailing the location of all GPS-tagged trucks and the status of deliveries, including expected arrival times for pick-up or delivery
- Phone support for all customer questions, delivery changes, and scheduling
- Preferred client services including online accounts, regular schedules of shipping, or linking of client order information directly to YSAB Company Limited’s scheduling software to allow for seamless logistics

To maintain its competitiveness in its core services, YSAB Company Limited will NOT offer:

- Storage or warehousing of goods awaiting delivery (goods can remain in storage in trucks for short periods, but at relatively high cost to customers)
- Packaging and crating

A few keys of YSAB Company Limited to maintaining a successful freight transportation operation are to:

- Find a niche and dominate it
- Have an inbound load for every outbound load
- Ensure that customers can easily and quickly place orders for shipping merchandise short or long distances throughout the local and regional area

At YSAB Company Limited trucks will be operated by qualified and well-trained drivers with spotless records. Drivers will be safety trained and re-tested for knowledge of laws as they change. A dedicated suite of software and communication systems will allow for the logistical management mentioned above.

### **2.1 Sourcing and Fulfilment**

As previously noted, YSAB Company Limited will initially fill orders as an independent contractor for other trucking companies. The only thing required on the part of the Company to fulfil these initial orders will be a freight truck and drivers.

YSAB Company Limited will make sure that each transportation order is handled in a safe and professional manner. Important to maintaining and developing successful business operations is the ability to consistently deliver high quality freight at reasonable prices. With the fluctuating and oftentimes increasing price of diesel fuels, it is especially important that YSAB

Company Limited develop and implement strategies to minimize the possibility of mistakes in fulfilling orders.

## **2.2 Technology**

YSAB Company Limited will use the internet, email and telephone communication to disseminate information, take orders and plan deliveries.

In the future, YSAB Company Limited will make improvements such as utilizing top-of-the-line trucking software that tracks information detailing the location of all GPS-tagged trucks and the status of deliveries, including expected arrival times for pick-up or delivery.

## **2.3 Future Products and Services**

YSAB Company Limited plans to expand its services by entering into contracts directly with vendor as opposed to only serving as an independent contractor for other trucking companies. This will allow YSAB Company Limited to increase revenue while having more freedom in job selection.

In the future, YSAB Company Limited will add the following services:

- Temperature-controlled shipping to expand the range of customers YSAB Company Limited can appeal to.

## **2.4 Benefits of our products and services**

The benefits of our products and services are:

- Accurate and on-time distribution of goods throughout the federation and beyond.
- Effective monitoring of freight throughout the period of transit online.
- Sound and quality management of freight during transportation to ensure optimum delivery condition, etc.
- We provide excellent customer care services all times.
- All our services are offered at the lowest possible price.

### **3.0 INDUSTRY ANALYSIS**

#### **3.1 Global Logistics Industry Overview**

The global freight and logistics market is forecast to grow to \$18.69 billion by 2026 at a compound annual growth rate (CAGR) of 4.4%. Looking solely at logistics, the global logistics market is expected to reach \$6.55 trillion by 2027, growing at a CAGR of 4.7%. The freight and logistics market includes the sale of services by companies that transport goods and commodities via rail, air, roads, and water, using large vessels in the process of planning and executing the efficient transportation and storage of goods from point A to point B to meet consumer needs in a timely and cost-effective manner.

It includes warehousing, management, transportation, delivery, consultation, packaging, and legal services. It is most commonly employed in sectors such as manufacturing and automotive, oil and gas, mining, agriculture, fishing, forestry, construction, distributive trade, and other end users. The most common types of logistics models are first-party logistics (1PL), second-party logistics (2PL), and third-party logistics (3PL).

Logistics has become an integral and growing part of the global economy as its worldwide applications enable businesses to mark their presence in the international market. The sector allows companies to store and transport resources such as equipment, inventory, food, and materials to the desired destination. It helps organizations create added value, save money, deliver a better customer experience, and improve brand standards. Currently, many companies around the world are looking to strategic logistics management to lower their transport expenses.

#### **3.2 Growth Drivers**

Supply-side and demand-side trends broadly impact the global logistics market. One of the significant market demand drivers is the rapid proliferation of trade agreements among various nations. Also, initiatives to increase international trade activities have expanded the demand for logistics to keep up with the needs of importers and exporters.

The logistics sector has also benefited from recent technological advancements, globalization, integration, new legislation, and alliances. Technological advancements include automated material handling equipment, biometrics, robotics, and GPS. They enable businesses to work more efficiently, driving worldwide market growth. The continuing surge in e-commerce and online shopping also supports the market's growth. The pharmaceutical and food & beverage industries also drive the market as they experience continued growth.

#### **3.3 Global Logistics Market Trends**

Several factors are driving the logistics market on a global scale. One of the most significant factors is the popularity of e-commerce, which continues to grow as the availability of high-speed network connectivity grows. More and more consumers want to shop online, and more home delivery options are available daily. This increases the demand for efficient logistics services.

Companies now offer logistics monitoring systems integrated with advanced tech, such as block chain, augmented reality, artificial intelligence, and the Internet of Things. These systems enable them to monitor real-time information and offer predictive warehouse management, transportation, and delivery alerts. For example, by using artificial intelligence, shipped goods

can be tracked to their exact location, a technology that helps to reduce transit time by nearly 50% compared to the traditional trucking industry.

Also, cargo-monitoring technologies include GPS trackers, RFID sensors, and Bluetooth. Such tracking technologies allow the owners and receivers of products to track their packages in real-time using smartphone apps. These advancements, along with the development of self-service kiosks at warehouses to reduce manual paperwork and promote electronic data interchange technology, will continue to shape the market in the future.

E-commerce significantly impacts the logistics industry, as the pandemic made online shopping the norm. Global e-commerce sales are on pace to reach \$6.3 trillion in 2024. Such a surge in online shopping has led to an increase in the overall volume of shipments, pressuring logistics companies to deliver faster and more efficiently. E-commerce growth also presents challenges such as managing returns, offering same-day delivery, and handling a more extensive variety of products.

Logistics operations also benefit from the rise of "last mile" gig economy delivery. When a product leaves a warehouse, it is loaded onto whatever series of vehicles is needed and delivered to a customer's door. The "last mile" delivery is the final step of the process. Last-mile delivery is the most expensive and time-consuming part of shipping. This is because the final leg of delivery usually involves multiple stops and low drop sizes, a problem that is further exacerbated in rural areas where homes are farther apart and equally problematic in crowded cities where traffic slows the process.

Last-mile delivery costs comprise 53% of the total cost of shipping. So, as the gig economy grows, retailers and logistics partners are using crowdsourcing technologies to connect directly with local, non-professional couriers who use their transportation to make deliveries. This allows companies to get their e-commerce orders to customers faster and with lower logistics costs. And, with all the technology and integration with automation across sectors, we will soon start seeing more robots, drones, and self-driving vehicles making deliveries.

Another market trend is that manufacturers are focusing on adopting green logistic solutions and ESG policies to reduce environmental impacts and improve their "green" reputations. Sustainability appeals to eco-conscious consumers and benefits shippers through lower fuel costs. Sustainable logistics lead to better decision-making and opportunities for optimization in procurement, route planning, and reverse logistics.

### **3.4 Tanzania Logistics Industry Overview**

Logistics refers to the process of storing and transporting resources, such as equipment, inventory, food, liquids, and materials, from one location to the desired destination. It includes the management of the flow of goods from production to the point of consumption to meeting the requirement of customers. It helps enterprises create additional value, save costs, deliver a better customer experience, and improve brand reputation. At present, various organizations around the world are focusing on strategic logistics management to reduce their transport expenses.

As of 2020, transportation and material moving accounted for 7.1% of all Tanzania jobs employing one of the largest workforces in the country, surpassed only by food service, sales related occupations, and administrative careers. This number is expected to grow.

The Tanzania economy is predicted to continue the pattern of growth we've seen in the past few years, with an increasing gross domestic product (GDP), as well as unemployment and inflation rates rising slower than country target estimates. This trend will result in job growth, particularly in industries like construction, which is a key indicator of freight demand.

### **3.5 Significance of Logistics Industry**

Logistics involves the process of planning, implementing, and controlling the flow of raw materials and finished goods, and it is there from the point of origin to the end of consumption of any product. It plays a vital role in the economic growth of any country.

The logistics industry contributes to the economy by creating work opportunities, helping industries do business efficiently, and offering support to most manufacturing industries.

Tanzania is a country in East Africa with the 12th largest economy in Africa and the 2nd largest in the East African region. As per a report based on the recent data from the World Bank, the contribution of Logistics to Tanzania's GDP during the last decade is very significant.

This country relies mainly on the agricultural processing and mining industries. Agriculture contributes approximately 24.5% of the country's GDP and almost 85% of all countries' exports. In this scenario, the logistics' role becomes more relevant because export is entirely dependent on the logistics sector.

The logistics industry in Tanzania plays an essential role in growing and improving the other industries as well. So here we are going to talk about the significance of logistics in Tanzania and the world.

Logistics helps in cost reduction and thus maximizes the profit. This becomes possible due to improved material handling, safe and speedy transportation, convenient location of warehouses, etc.

Logistics mainly helps in the efficient flow of manufacturing operations. It makes on-time delivery of raw materials possible and results in the proper utilization of these materials and then finished goods.

Logistics provides a competitive edge to the industry by increasing sales by providing better customer service, which is only possible due to logistics. It helps to arrange for a reliable delivery without errors in order processing of any product.

Moreover, logistics help in developing an effective communication system for any enterprise as well. Because of the continuous interaction with suppliers and delivery, companies can improve customer service.

It also helps in inventory management, which is a significant part of production management. How to ensure an adequate inventory can be answered by logistic management. Today, all types of industries in the world are dependent on the logistics sector. So it is the essential requirement of any enterprise which has a supply chain.

### **3.6 Market Needs**

According to the Ministry of Transportation, at least 66% of all shipments are delivered by track. This means that all goods transported in Tanzania are primarily transported and delivered by road through trucks leaving an overwhelming need for drivers and companies to deliver said goods. According to our research demand is driven by consumer spending and manufacturing output. The profitability of individual companies depends on efficient operations. Large companies have advantages in account relationships, bulk fuel purchasing, fleet size, and access to drivers. Small operations can compete effectively by providing quick turnaround, serving a local market, or transporting unusually sized goods.

Large established companies tend to have their own truck fleets, but many smaller companies outsource the freight transportation function. The latter vary in the scale of their operations, but have a steady demand for reliable transportation solutions. YSAB Company Limited will actively solicit such customers to meet this need.

Market research shows that customers in the trucking industry are price sensitive, and they value on-time deliveries, special handling capabilities, and less-than-truckload orders. Customer referrals also strongly influence the buying decisions of these customers. YSAB Company Limited has taken this into consideration as it prepares its marketing plan.

### **3.7 Tanzania Market Trends**

Any economy's ability to perform economically depends on logistics and warehousing. According to our feasibility study the market is anticipated to benefit from the expansion of infrastructure and construction industries. In addition, it will grow from increased industrial activity, e-commerce, and an influx of foreign businesses into the East and Central Africa region during the project period.

The rise of the freight forwarding market in the region was significantly influenced by the food and beverages, construction and industrial sectors. Due to improvements in the road infrastructure, it was found that road freight was the most desired mode of transportation, followed by air and sea freight. There are several challenging terrains in the region that are inaccessible by any other form of transportation. The Tanzania freight forwarding market's top revenue source was Asia.

The Tanzania warehousing business had expanded slowly due to the severe shortage of high-quality, contemporary warehouses. One of the major areas of logistics that calls for increased funding and technological innovation is warehousing. It is anticipated that the development of automation technology and more sophisticated inventory management systems would aid in the expansion of the warehouse sector.

Compared to the US and China, the African Continent's E-Commerce market grew relatively late and only accounts for 0.6 percent of total transactions in 2020. As the industry expands, so do the market's logistical requirements, particularly in the express delivery sector.

Other factors contributing to the growth are:

- Large percentage of Tanzania's overall exports is towards its neighbouring countries.
- The retail business in Tanzania is thriving making it a lucrative country for international retailers and wholesalers.



## **2. Central Corridor**

Dar es Salaam – Morogoro – Dodoma – Singida – Nzega – Tinde – Isaka - Lusahunga to:

- (i) Gisenyi via Rusumo and Kigali
- (ii) Bujumbura via Nyakasanza, Kobero and Gitega
- (iii) Masaka via Bukoba and Mutukula

Corridor Length (rounded): 2,170km

## **3. Dar es Salaam (TAZARA) Corridor**

Morogoro – Iringa – Mbeya -Tunduma

Corridor Length (rounded): 1,100km

## **4. Namanga Corridor**

Iringa – Dodoma - Babati – Arusha – Namanga – Nairobi – Thika -Murang’a – Embu – Nyeri – Nanyuki – Isiolo – Marsabit - Moyale

Corridor Length (rounded): 1,800km

## **5. Sumbawanga Corridor**

Tunduma – Sumbawanga –Mpanda – Uvinza – Kasulu – Manyovu/Mugina – Makamba - Nyanza Lac – Rumonge -Bujumbura

Corridor Length (rounded): 1,260km

## **6. Sirari Corridor**

Biharamulo – Mwanza – Musoma - Sirari/Isebania – Kisii - Kisumu – Kakamega – Webuye - Kitale - Lodwar Lokichokio

Corridor Length (rounded): 1,500km

## **7. Coastal Corridor**

Mingoyo - Dar es Salaam - Bagamoyo – Tanga – Horohoro/Lunga lunga – Kwale – Mombasa – Kilifi – Malindi - Lamu

Corridor Length (rounded): 1,500km

## **8. Mtwara Corridor**

Mtwara – Mingoyo – Masasi –Tunduru – Songea - Mbamba Bay

Corridor Length (rounded): 800km

## **9. Tanga Corridor**

Tanga – Arusha – Musoma – Lake Victoria - Kampala

Corridor Length (rounded): 1,650km

## **10. Gulu Corridor**

Nimule – Bibia – Gulu – Lira – Soroti – Mbale - Tororo

Corridor Length (rounded): 600km

### **3.9 Future Prospects**

In the forthcoming years, Tanzania’s market growth is anticipated to be attributed to the warehousing segment's higher growth rate than the dominant freight forwarding segment. In order to offer better customer service, logistics companies are anticipated to invest in cutting-edge technological solutions including autonomous logistics, real-time tracking, and automation. Incorporating cutting-edge technology-based solutions can aid logistics service providers in efficiently delivering goods in light of the expanding global trade. Additionally, construction industries will be the main factor for the growth, which has sparked a wave of construction projects in the nation, increasing trade and storage activities

### **3.10 Key Players**

Some major key player companies in Tanzania’s Logistics Industry are Bravo Logistics, Ostrich Transport & Logistic Company Ltd, Arusha Freight & Transport Agency, Wenson Logistics Co. Ltd, DTS Logistics Company Limited, KRB Freight Co. Ltd, SAS Logistics Ltd, Astraline Logistics, LGT Logistics Tz, Malawi Cargo Centres Ltd, Sino Logistics Co Ltd and some others.

## **4.0 MARKET ANALYSIS**

### **4.1 Market Analysis Summary**

The Tanzania commercial trucking industry serves as a key link between raw material suppliers, manufacturers, wholesalers, distributors, and retailers in most industries. The industry includes dry van, flatbed, refrigerated and bulk/tank trucking over short-haul (up to 100 miles), medium-haul (100 to 250 miles), and long-haul (250 miles and up).

YSAB Company Limited competes in the market for medium and long haul freight transit in the East and Central Africa. This market serves businesses ranging from the oil, packaged goods/grocery industry to the clothing industry to high-tech equipment, as well as commercial relocations.

### **4.2 Key Customers**

YSAB Company Limited intends to operate as a general carrier of merchandise for companies and individuals, especially in Tanzania and other East and Central Africa countries. As such, it is difficult to determine the average customer of the Company as YSAB Company Limited will have the licensure and the ability to effectively move almost any type of merchandise.

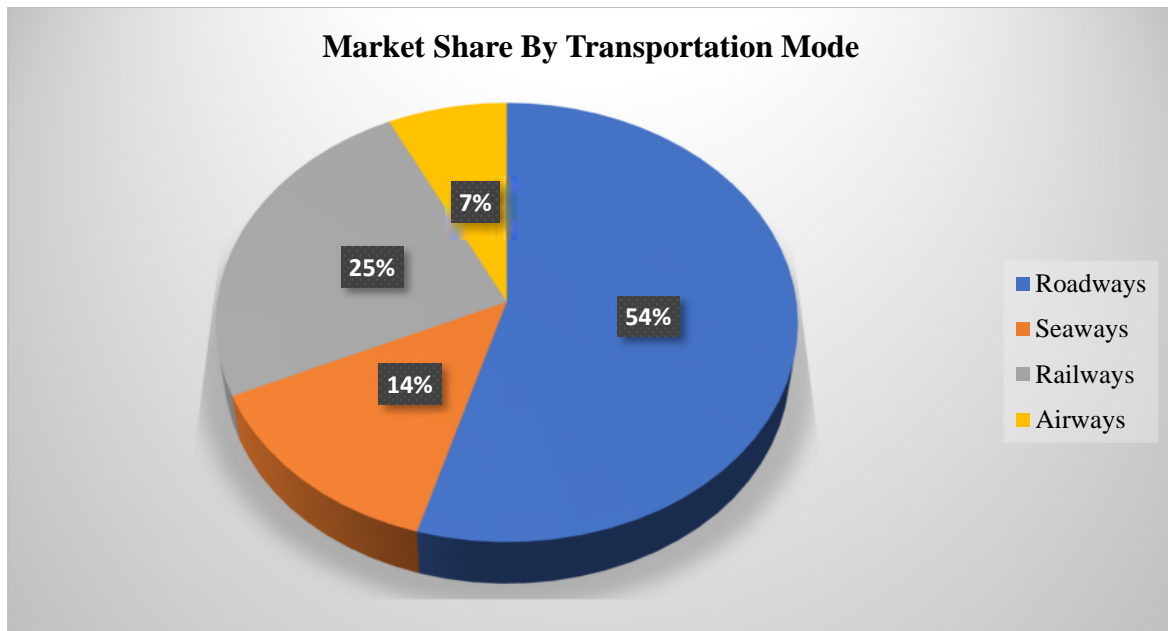
YSAB Company Limited focuses specifically on being an independent contractor to transportation companies in Tanzania and other East and Central Africa countries. By serving as an independent contractor, YSAB Company Limited provides a more affordable freight transport solution for new and growing companies than purchasing their own trucks. YSAB Company Limited also serves larger trucking companies who simply don't have enough drivers for delivery but at the same time, is not interested in hiring additional full time employees.

### **4.3 Customer Focus**

YSAB Company Limited targets all businesses and individuals in need of freight services. YSAB Company Limited will begin by targeting local and foreign business owners both companies and individuals in need of transit services. No matter the client, YSAB Company Limited will deliver a customer-centric experience where they will customize each shipment to match the customer's specific requirements.

### **4.4 Market Segmentation**

YSAB Company Limited provides an analysis of the key market in each sub-segment of the logistics market, along with forecasts at the global, regional, and country level from 2025-2029. Our company has categorized the market based on the transportation mode, end-use and region.



**On the basis of transportation mode, the industry is segmented into:**

- Roadways
- Seaways
- Railways
- Airways

Currently, roadways represent the leading segment in the market.

**On the basis of end-use, the industry is divided into:**

- Manufacturing
- Consumer Goods and Retail
- Food and Beverages
- IT Hardware and Telecom
- Healthcare
- Chemicals
- Construction
- Automotive
- Oil and Gas
- Others

Amongst these, consumer goods and retail accounts for the largest share in the total market.

**On the basis of the region**

By region YSAB Company Limited segments the market as follows:

- East Africa

- Tanzania
- Kenya
- Uganda
- Rwanda
- Burundi
- Central Africa
  - Democratic Republic of Congo
  - Zambia
  - Africa

#### 4.5 Target Market

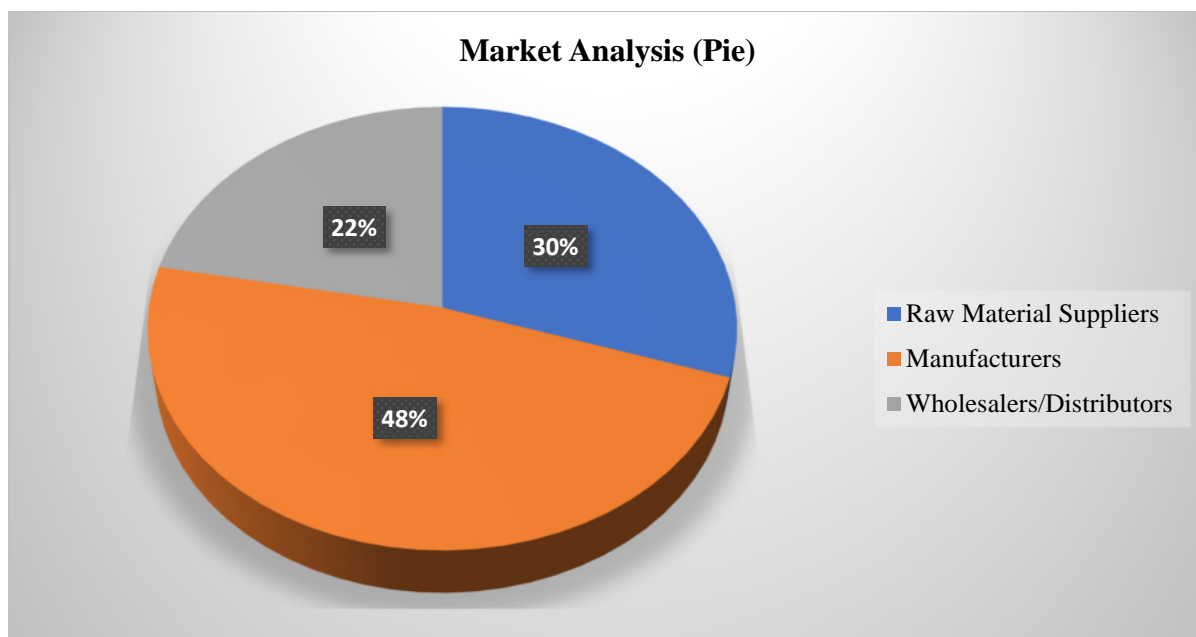
YSAB Company Limited target market include the following:

**Raw Material Suppliers:** These transport large quantities of materials to large manufacturers in the East and Central African countries. These materials generally do not require refrigeration or temperature control. Manufacturers maintain some on-site storage for these supplies and generally have some leeway as to when deliveries can be received, except when projections are mistaken and supplies drop low. Packaging supplies also must be transported to manufacturers and are included in this group.

**Manufacturers:** These often outsource the distribution of their goods to businesses that specialize in serving one the type of retailer or business. Their packaged goods are often transported to only one wholesaler/distributor, creating a regular business in transporting between the two locations.

**Wholesalers/Distributors** that serve large retailers assemble truckloads of goods from the many manufacturers they serve. While they often have their own trucks or distribution means, some of these firms do not either because they are smaller or because they attempt to limit their investment in assets. Others may require additional transportation support when they are operating at capacity but not prepared to expand their transportation capacity.

The market analysis chart covers likely market segments within the seven countries which YSAB Company Limited will serve.



#### 4.6 Target Market Segment Strategy

YSAB Company Limited will begin by focusing specifically on the segment of manufacturers in Tanzania, expanding after the first year to the entire intended East and Central Africa region. By serving manufacturers, YSAB Company Limited can provide an affordable shipping solution for new and growing manufacturers over purchasing their own trucks.

Raw material suppliers sometimes require flatbed or bulk/tank transit which will also be offered by YSAB Company Limited and wholesalers often have their own trucks. These segments are expected to yield some customers, but by focusing first on the middle of the supply chain with manufacturers, YSAB Company Limited will be introduced to suppliers and distributors who may require their services without having to engage in full marketing campaigns to these segments.

#### 4.7 Competition and Buying Patterns

In addition to competing with other freight transport companies, YSAB Company Limited will compete with rail and air cargo transportation. However, for the distances it intends to transport, and due to the few rail lines over the countries and regions, freight transportation is at an advantage.

Clients choose between transit companies based on:

- Their track record of on-time and accurate deliveries
- Their price
- Their ability to partner with the shipper to offer logistics expertise and added services.

#### 4.8 Web Plan Summary

The YSAB Company Limited website will serve as a source of basic information for those who find it via Internet searches, as well as a sophisticated account management portal for clients. For potential clients, the website will serve as a deeper explanation of the services and

background of the company than a brochure or advertisement can provide. Specific calls to action on the website will ask users to call to speak to a salesperson or to fill in a form with their basic information and a good time to speak with them, so that a salesperson can contact them. Even one-time clients will be able to access up-to-date information about YSAB Company Limited services and current location of their deliveries. Clients who subscribe to preferred services will have access to more advanced information and functions.

#### **4.9 Website Marketing Strategy**

YSAB Company Limited will utilize the following means to promote its website as a marketing tool:

- Initial and ongoing search engine optimization by the Web developer and then by an SEO firm
- Google AdWords campaign which can be reduced or defunded if organic search rankings are high enough
- Profiles and listings on ten business and trucking company online databases
- Mention of the website URL in all brochures and advertisements

#### **Development Requirements**

The website's components will have the following requirements:

##### **Front End**

- Homepage – Mirroring a basic brochure about YSAB Company Limited
- About Us – Background on the partners, mission, and basics of the business
- Contact – Form to submit information and phone number to reach a salesperson during business hours
- Services – Deeper description of the service options along with images of the trucks and a map of the area served

##### **Delivery Tracking**

- Form – To enter delivery code which was designated for the delivery
- Map – Shows current location of the delivery on a map
- Statistics – Gives ETA, minutes late or ahead of schedule, status of pick-up or drop-off, other notes about the order

##### **Account Management**

- Login – Login form for client username and password
- Account Profile – Basic client information, settings related to interface between client systems and YSAB Company Limited if direct links have been established
- Scheduling – Calendar on which pickups and deliveries can be scheduled and rescheduled
- Alerts – Settings for email or text alerts about deliveries which can be sent to client

## Back End

- Database Entry – Ability to search within and make changes and edits to the client and scheduling information in the database
- Billing Interface – Website sends billing information for completed jobs directly to accounting software for bill creation

The website will be developed over a five-month period and for next five years it will require TZS 94,002,480. Many elements can be adapted from off-the-shelf or open source software, but others must be developed from scratch to interface between client software and the YSAB Company Limited database.

### 4.10 Competitive Edge

YSAB Company Limited will establish a competitive edge through its dogged focus on on-time deliveries for its specific target market. Software systems, communication systems, operational choices and marketing materials will all be oriented around this goal. By making customers more assured of on-time delivery with YSAB Company Limited than with competitors, they will be more likely to use the business overall, as they can never be sure when a few hours can make an incredible difference to their potential revenues or expenses.

YSAB Company Limited will be able to achieve success by offering the following competitive advantages over their competition:

- **Experience.** A major competitive advantage for YSAB Company Limited is the vast industry experience and solid reputation of its owners.
- **Qualified and knowledgeable staff:** Proactive, Friendly, knowledgeable, helpful, and highly qualified team of trucking and logistics experts, sales representatives and dispatchers with extensive experience in the field that are able to effectively navigate the journey of both customers and drivers.
- **Customized services:** Customized service that allows for a small business or an individual to have their requirements accommodated. YSAB Company Limited takes care of everything from truck inspections and maintenance to scheduling drivers, loading/unloading, and short-and-long range distribution.
- **Technology:** Use of the latest trucking and logistics technology to ensure each haul is handled with the best of care and delivered efficiently.
- **Quality Service:** Customers will be provided with courteous, prompt, and dependable service. YSAB Company Limited will develop a reputation for timely deliveries and intends to build upon that.
- **Competitive rates:** YSAB Company Limited will be able to offer the best and competitive pricing for customized and small shipments compared to the competition.
- **Package handling.** By maintaining dependable and safe equipment, YSAB Company Limited will ensure that there is no damage to customer's cargo.

#### 4.11 SWOT Analysis

YSAB Company Limited has been established with a valuable inventory of strengths that shall contribute to the success of the company. These strengths include experienced, knowledgeable staff with a clear vision of the freight transportation industry, market needs and, excellent client services.

<p><b>Strengths</b></p> <p>-----</p> <ul style="list-style-type: none"> <li>• The staff at YSAB Company Limited is experienced and knowledgeable in the logistics of the trucking industry, they are courteous and provide excellent services to all of YSAB Company Limited clients.</li> <li>• Strong relationships with clients, offering flexible arrangements for rush deliveries</li> <li>• Competitive prices provide repeat and referral business.</li> <li>• Premium quality service and on-time delivery</li> </ul>	<p><b>Weaknesses</b></p> <p>-----</p> <ul style="list-style-type: none"> <li>• Start-up funding needed</li> <li>• The business has been unpredictable during the uncertainty of economic conditions.</li> <li>• YSAB Company Limited needs new trucks. New trucks will provide better fuel efficiency; better emissions control and lower our cost of overhead to maintain. These new trucks will allow us to expand our services, creating more revenue to pay our debts.</li> <li>• Initially limited to independent contracting with larger transport companies</li> </ul>
<p><b>Opportunities</b></p> <p>-----</p> <ul style="list-style-type: none"> <li>• Increase sales opportunities beyond other transportation companies</li> <li>• Current clients with manufacturing plants in other regions.</li> <li>• Strategic alliances offering resources for referrals and marketing to extend YSAB Company Limited reach to potential new clients.</li> <li>• Ability to grow quickly because of increases in market demand</li> <li>• Take advantage of the fact that many trucking companies do not like to offer services in DR Congo, Rwanda and Burundi</li> </ul>	<p><b>Threats</b></p> <p>-----</p> <ul style="list-style-type: none"> <li>• The rising cost of fuel, maintenance, and repairs.</li> <li>• Likely entry of potential new competitors</li> <li>• Possible new regulations</li> <li>• Possible winters with weather that makes driving a truck difficult/impossible</li> </ul>

## **5.0 MARKETING STRATEGY AND IMPLEMENTATION**

### **5.1 Overview**

YSAB Company Limited will attempt to rapidly achieve awareness in Dar es Salaam and other Tanzania's regions about its business in the first year, followed with awareness in East and Central Africa countries in future years.

YSAB Company Limited intends to maintain a marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of YSAB Company Limited:

- Establishing a strong software/Web component to its business to drive adoption of its preferred client services
- Building and maintaining its on-time reputation to command revenue per mile slightly over the industry average
- Targeting manufacturers in Dar es Salaam and other Tanzania regions in the first wave of marketing as the segment most in need of YSAB Company Limited's services
- Establish relationships with freight brokerages and transportation companies in need of freight delivery services within the targeted market.
- Develop an online presence by developing a website and placing the YSAB Company Limited's name and contact information with online directories.

### **5.2 Marketing Strategy**

YSAB Company Limited intends to use a multitude of marketing strategies to promote and expand its freight trucking business. YSAB Company Limited will maintain a listing in the Yellow Pages, create marketing campaigns within local newspapers, and promote the business through word of mouth advertising.

YSAB Company Limited also intends to maintain a website that allows customers to contact them directly over email for more information regarding freight trucking services and pricing quotes. As YSAB Company Limited expands, the website will be upgraded to include higher levels of functionality and support.

As an extra incentive for customers and potential customers to remember the name, YSAB Company Limited plans to distribute coffee mugs, T-shirts, pens, and other advertising specialties with the YSAB Company Limited's name.

YSAB Company Limited will develop two compelling brochures: one to promote sales to other trucking companies and later, one that promotes the Company's direct services.

Overall, YSAB Company Limited will also rely heavily on word of mouth/ referrals from satisfied customers to maintain steady contract work.

### 5.3 Brand & Value Proposition

YSAB Company Limited will offer the following unique value propositions to its clientele:

- Highly-qualified team of skilled employees that is able to provide a comprehensive set of trucking services (shipping, receiving, monitoring, short-distance, small hauls).
- Customized approach to freight distribution, leveraging technology and flexibility to provide the highest quality of service to its customers.

### 5.4 Promotion Strategy

YSAB Company Limited will focus its promoting strategy on the following areas:

- **Word of Mouth/Referrals:** YSAB Company Limited owners and staffs have built up an extensive list of contacts over the year by providing exceptional service and expertise to clients who are committed to help spread the word of YSAB Company Limited.
- **Professional Associations and Networking:** YSAB Company Limited will become a member of Tanzania Truck Owners Association (TATOA), and Transporters Association of Tanzania (TAT). We will focus our networking efforts on expanding their client network.
- **Print Advertising:** YSAB Company Limited will invest in professionally designed print ads to include in industry publications.
- **Website/SEO Marketing:** YSAB Company Limited will utilize our in-house marketing director that designed our print ads to also design our website with visibility on search engines and in databases of freight transportation companies. The website will be well organized, informative, and list all of our services. The website will also list our contact information and provide information for people looking to become drivers. The marketing director will also manage the company's website presence with SEO marketing tactics so that anytime someone types in the Google or Bing search engine "Tanzania Transit Company" or "Transit Company near me", YSAB Company Limited will be listed at the top of the search results.
- **On-Time Reputation:** Building and maintaining an on-time reputation that commands revenue per mile slightly over the industry average
- **Target Market:** Targeting other transportation companies in need of assistance with freight delivery
- **Emphasis on service:** YSAB Company Limited will differentiate itself by providing premium services to its customers. It will establish new business by offering competitive prices and flexibility for our clients' needs.
- **Build a relationship-oriented business:** Building long-term relationships with customers will be a strong attribute of YSAB Company Limited. Customers can trust that they will be provided the delivery services they require.
- **Brochure:** Creating a compelling brochure of YSAB Company Limited services which will be distributed through direct mail, and kept in stock for networking events
- **Exhibition:** Exhibiting at Tanzania business service conferences, especially for sectors of the manufacturing industry
- **Advertisements in trade publications**

- **Public Relation:** Public relations efforts including press releases related to the business launch and its unique preferred client account management package

## 5.5 Positioning

The strategy of YSAB Company Limited is to consolidate excellent customer service with timely deliveries and a competitive pricing structure. YSAB Company Limited's goal in the next 2 years is to enter into direct contracts with manufacturers and other business entities in need of freight delivery services without having to serve as an independent contractor for other trucking companies.

YSAB Company Limited will therefore seek to position itself not necessarily as the most inexpensive carrier, but as a carrier with the best service and on-time record coupled with advanced systems to help clients manage their logistics better.

## 5.6 Pricing

We believe that after expansion many are expecting our services to be much better than our competitors. Due to this, the YSAB Company Limited management team will consider some factors in the pricing of the services offered so as to fulfil both the company's objectives and the clients' expectations that is the company will ensure that all entities involved end up in a win-win situation. The factors that YSAB Company Limited intend to consider include:

- The cost involved in offering services
- Our competitors' price
- The company's pricing objectives
- The level of demand in the logistics market
- The urgency of need for our services
- The government policies
- The level of income of our target market

YSAB Company Limited will have independent contractor arrangements with various companies that deliver freight. Considering this, pricing will also depend upon the company being serviced.

The Company will be able to charge competitive rates, as it has minimal overhead compared to its competition. Pricing of our service must remain initially competitive with our rivals. This is typical within the industry and can create higher margins. The pricing of YSAB Company Limited will be moderate and on par with competitors so customers feel they receive value when purchasing their services. The average truck rate is TZS 292,032 to 328,536 per ton for all loaded miles. YSAB Company Limited will start out charging TZS 292,032 per ton per trip during the first year of operation and change it later.

The pricing strategy used by YSAB Company Limited will mostly be;

- Demand oriented pricing strategy
- Cost pricing strategy

- Competitive pricing strategy

### **5.7 Place/Distribution**

YSAB Company Limited's deliveries will feature:

- Low Distribution Costs
- Fast Delivery
- Optimal Payload Utilization
- Quick Turnaround Times
- Proper Route Planning and Analysis
- Fuel Efficiency

### **5.8 Strategic Alliances**

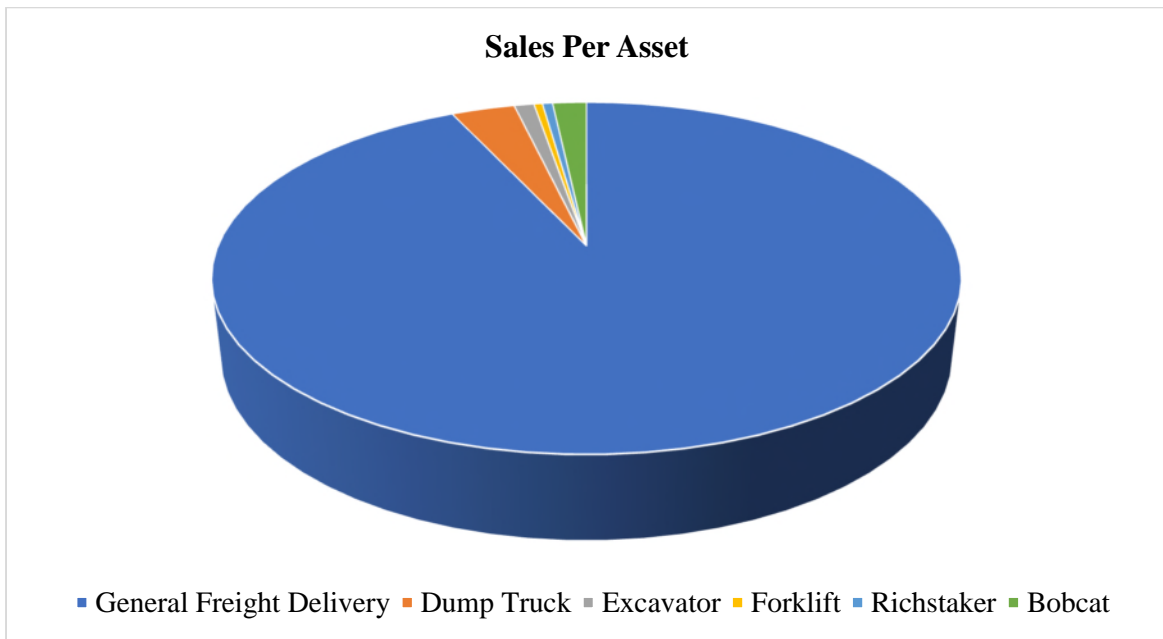
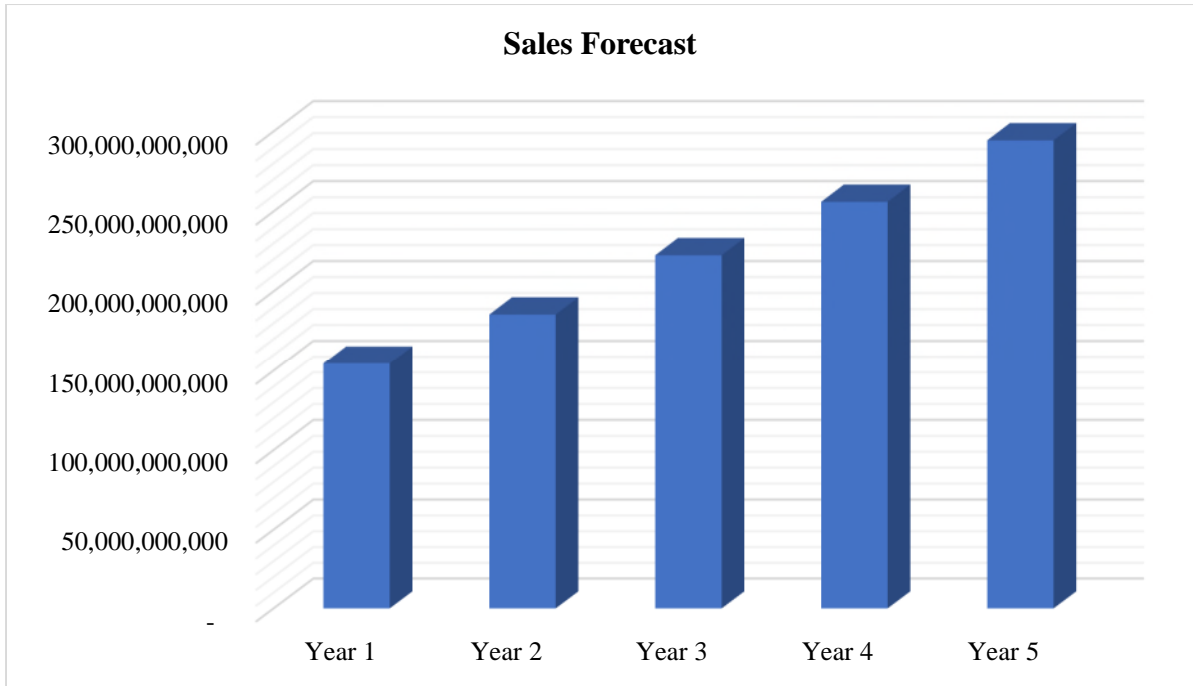
YSAB Company Limited will form strategic alliances with other trucking companies in need of transit services. YSAB Company Limited will serve as an independent contractor for these companies and hopes to call on them as the Company starts to take on its own direct customers.

Additionally, YSAB Company Limited intends to continually develop a number of referral and contractual relationships with retailers, distribution companies, and freight brokers. Since these businesses are regularly seeking transit services, the owners see a significant opportunity to partner with these firms.

### **5.9 Sales Strategy**

Yusuph Rajah Mdoe will manage sales for the business, making appointments with and traveling to client businesses in the region when necessary to establish relationships based on an understanding of the client's needs for freight transportation. Yusuph Rajah Mdoe will prospect from a list of manufacturer businesses in the targeted area, starting with small and new businesses which may not have established a long-term relationship with a carrier yet.

The cost of sales listed by YSAB Company Limited for per-mile transportation is approximately 25% for fuel based on the estimated 10 mpg for loaded trucks, and another 25% for truck driver labour hours that can be assigned to the jobs based on agreed hour rate. Cost of sales for preferred accounts is much smaller as it consists only of set-up and maintenance labour for hourly operators.



## 5.10 Milestones & Metrics

### Key Metrics

- Freight cost per unit shipped
- Outbound freight costs
- Inbound freight costs as percentage of purchases
- Transit time
- Claims as % of freight costs
- Sales
- Loads
- Maintenance
- Driver commissions
- Leads
- Closes
- Clients
- Repeat clients

The milestones table covers the early marketing activities described in the marketing strategy summary. The first two milestones (website and brochure) are budgeted under start-up expenses and the remainder are budgeted under the first year marketing budget for operations.

Milestone	Start Date	End Date
Find funding to expand YSAB Company Limited	01/01/2025	31/12/2025
Purchase Trucks, Equipment and Machines	01/02/2025	31/03/2025
Insurance and permits	01/02/2025	30/08/2025
Hire drivers	01/03/2025	31/03/2025
Pick up first loads with new trucks	01/03/2024	31/03/2025
Create Brochure	01/03/2025	31/03/2025
Create Website	01/03/2025	30/04/2025
Generate Mailing List	01/04/2025	30/04/2025
Direct Mail Distribution	01/05/2025	31/12/2025
Run Advertisements	01/06/2025	31/12/2025
First Trade Show (Pre and Run)	01/07/2025	31/08/2025

## 6.0 MANAGEMENT SUMMARY

YSAB Company Limited is led by Board of Directors headed by Yusuph Rajah Mdoe who has with vast experience in running business. The organizational Structure is given below.



### 6.1 Board of Directors

YSAB Company Limited Board of Directors meets at least once a month to make decisions concerning important matters, report on the progress of business execution, review performance, and discuss and decide on how to deal with related issues. Outside Directors supervise the business execution of YSAB Company Limited from an independent and fair standpoint without being directly involved in business execution.

### 6.2 Management Team

The Executive Management Team has been established under the Board of Directors to speed up decision-making at the Board of Directors and efficiently monitor and assess the progress of important business projects. It deliberates on overall important management matters and important business execution matters, and submits or reports to the Board of Directors as needed. YSAB Company Limited management team comprises of the following:

#### Chief Executive Officer (CEO)

Yusuph Rajah Mdoe, CEO, will manage the strategic direction, sales and marketing of YSAB Company Limited. He developed experience in all of these areas through work in his previous business.

#### Operations Manager

YSAB Company Limited will continue to have the Operation Manager. The Operation Manager will manage operations, finances, human resources, and procurement.

## **Marketing Manager**

Once YSAB Company Limited acquires new trucks and equipment, a Marketing Manager will be hired to solicit new business. This will also allow Yusuph Rajah Mdoe to dedicate more time into company management.

## **Accountant**

YSAB Company Limited plans to hire an accountant to handle company administration and financial report, all clients accounting, and ensure company compliance with tax regulation across the country.

## **Safety Manager**

At YSAB Company Limited the Safety Manager will provide oversight on all maintenance and safety inspections of the vehicles and drivers.

## **6.3 Recruitment**

CEO will be recruiting but later when YSAB Company Limited hire the Human Resource Manager, he or she will be responsible for recruiting new employees of the company. The process of job analysis will be crucial when coming up with the job description and specifications which will be specific to the job. Incentives and attractive job salaries will be attached to the job description and descriptions. In order to ensure that the business recruits the best employees the following procedures will be used during the recruitment process:

- Analysis of the vacancy
- Identification of the possible source for the possible candidates
- Conducting of extensive advertising for the job description and requirements
- Internal promotion or transfer from branches will be considered

The selection process will be as follows:

- Receiving the application from the applicants
- Assessment of the applications and shortlisting
- Conducting interviews of the shortlisted applicants
- Selecting the best candidates for the jobs
- Conducting orientation of the candidates chosen for the jobs

## **6.4 Training**

Training in **YSAB Company Limited** will involve:

- The newly employed employees will undergo mandatory orientation to learn more about YSAB Company Limited. This will help them understanding of how the daily operations of the company are done. The other older employees will help them in their duties for the first two weeks and then they will have a one-week evaluation of their performance. During the orientation they will also be introduced to other employees,

the company in general, learn on the organizational structure and the services as well as the objectives and goals of the company.

- The employees will also be trained after every year or any time in case there is need to do so while still working so as to ensure they are up to date with the changes in the logistics industry.
- When there occurs transfer of an employee, he or she will undergo through orientation and introduction of the new branch that they on to.
- When employees have been promoted, they will also be trained of their new duties and responsibilities.
- **YSAB Company Limited** will also conduct benchmarking activities where employees can visit other bigger companies so that they can learn more and improve on their performance.
- **YSAB Company Limited** will also offer short courses like leadership skills, risk management and stress management for free to the employees to help them level up their skills and performance.

### **6.5 Promotion**

**YSAB Company Limited** will promote its personnel with criteria based on the level of education, self-development, best performance of work, contribution on achieving company's objectives and the years of service to the company. The methods of promotion will include:

- A rise in salary
- A new personal office
- Allowances
- Gifts for having a good performance appraisal

### **6.6 Incentives**

YSAB Company Limited intends to be giving its employees additional benefits as a form of motivation. The incentives will be financial or non-financial. The financial are sponsored trip to the place of their choice, bonuses, premium pays, commissions and a plan where employees also enjoys that the company has made. The non-financial are staff career path, conducive working environment, social events, annual leaves and free meals.

### **6.7 Personnel Plan**

Truck driver salary listed here covers only salary. This includes training, repair work, returns from deliveries, and other required driving with empty trucks. It is expected that this will be less than 20% of driver wages. Employees will be 242 full-time by the end of year 1. There will be enough full-time truck drivers as the business will attempt to utilize the capacity of the trucks and limit overtime of drivers.

The Marketing Manager will be hired in the fourth month after the CEO has directly executed all sales and marketing operations for the first three months.

## Personnel Plan

Position	Monthly	Year 1	Year 2	Year 3	Year 4	Year 5
CEO	2,200,000	26,400,000	26,400,000	26,400,000	26,400,000	26,400,000
COO	2,200,000	26,400,000	26,400,000	26,400,000	26,400,000	26,400,000
Accountant	1,600,000	19,200,000	19,200,000	19,200,000	19,200,000	19,200,000
Sales & Marketing	1,600,000	19,200,000	19,200,000	19,200,000	19,200,000	19,200,000
Administrator	1,200,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000
Technicians	6,000,000	72,000,000	72,000,000	72,000,000	72,000,000	72,000,000
Safety Manager	1,200,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000
Truck Drivers	118,560,000	1,422,720,000	1,422,720,000	1,422,720,000	1,422,720,000	1,422,720,000
Operators	21,060,000	252,720,000	252,720,000	252,720,000	252,720,000	252,720,000
Total	155,620,000	1,867,440,000	1,867,440,000	1,867,440,000	1,867,440,000	1,867,440,000
Total People	242	242	242	242	242	242

## 7.0 FINANCIAL PLAN

YSAB Company Limited will expand its business with 100 18-wheeler trucks with dry van trailers, 200 Road tractors, 200 Heavy-duty tractors, 5 Recovery trucks, 10 Pick-ups Single cabin, 10 Pick-ups double cabin, 5 Forklift, 5 Cranes/Reach Stalker, 5 Wheel loader/Bobcat, 10 Light duty trucks (FUSO), 5 Light cargo trucks, 2 Mobile Workshop, 5 Generators, 5 Weighbridges, Repair equipment and tools, Truck spare parts, Truck tyres and other equipment necessary for logistics business financed by the owners' equity and loan from bank. Profits will swing positive from the first year of operation.

### 7.1 Start-up Funding

Shareholders will provide part of funding out of savings from their previous businesses and personal finance. YSAB Company Limited will seek additional fund enough to purchase assets and finance expansion cost.

#### Start-up Funding

Start-up Expenses to Fund	12,679,221,318
Start-up Assets to Fund	57,490,667,520
<b>Total Funding Required</b>	<b>70,169,888,838</b>

#### Assets

Non-cash Assets at Start-up	896,109,950
New Assets at Start-up	57,490,667,520
Cash Requirements	
Additional Cash Raised	
Cash Balance at Start-up	297,832,242
<b>Total Assets</b>	<b>58,684,609,712</b>

#### Liabilities and Capital

##### Liabilities

Current Borrowing	826,610,267
Long-term Liabilities	70,239,388,522
Accounts Payable (Outstanding Bills)	
Other Current Liabilities (interest-free)	
<b>Total Liabilities</b>	<b>71,065,998,789</b>

##### Capital

##### Planned Investment

Shareholders	297,832,242
Investors	
Additional Investment Requirement	
<b>Total Planned Investment</b>	<b>297,832,242</b>

Loss at Start-up (Start-up Expenses)	(12,679,221,318)
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<b>Total Capital</b>	<b>(12,381,389,077)</b>
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**Total Capital and Liabilities**

**58,684,609,712**

## **7.2 Important Assumptions**

The business assumes the cost of fuel at an average of the past two years, slightly higher than today's fuel prices. This is considered a conservative estimate as it is possible that fuel will stay below this number during at least part of the start-up phase. However, if fuel becomes significantly more expensive, the gross margins of the business will drop.

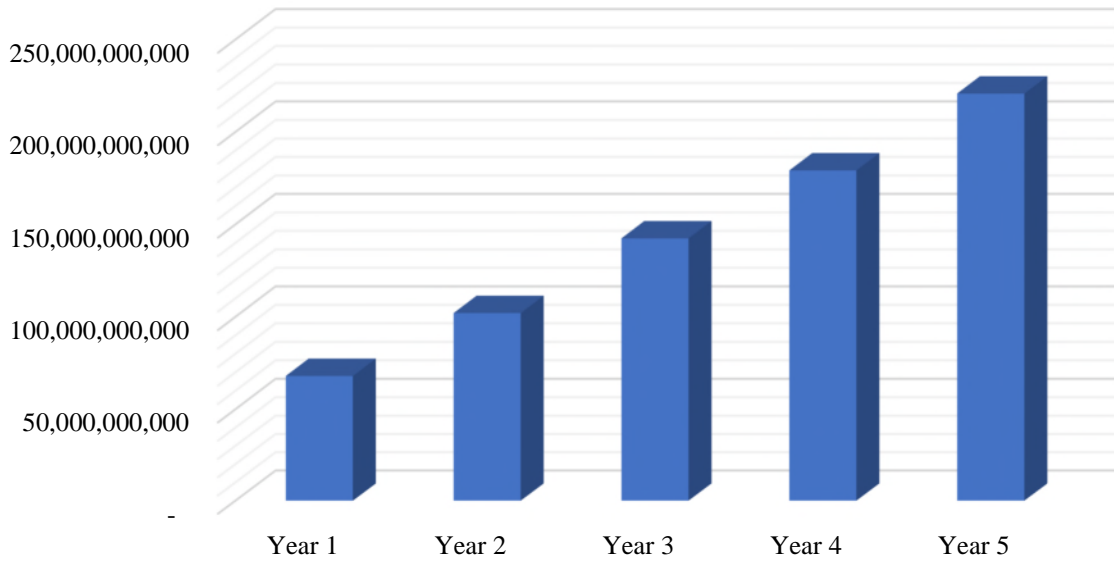
## **7.3 Projected Profit and Loss**

Major expenses include:

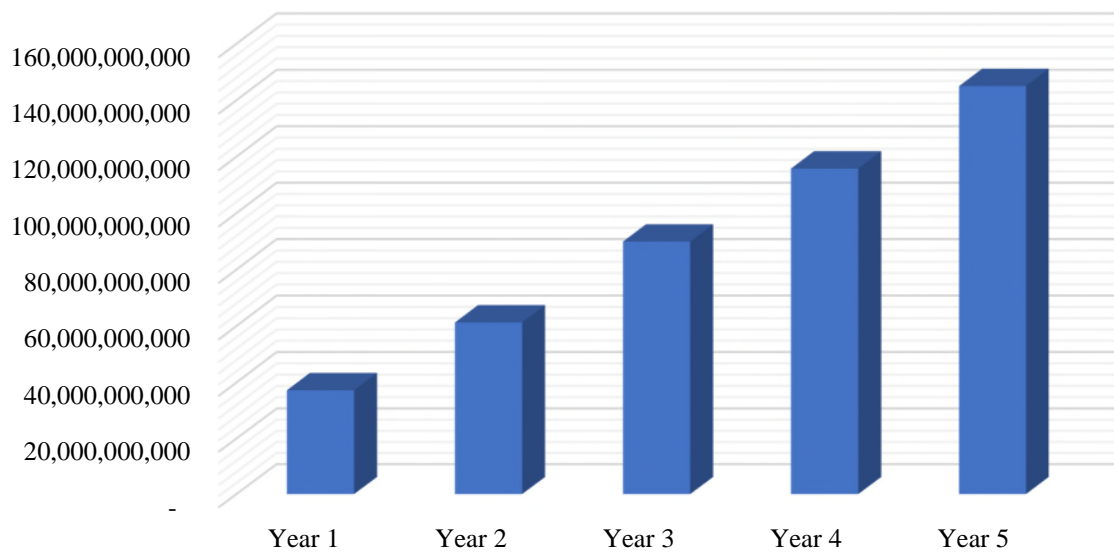
- **Payroll:** Covers the management, staff, and truck driver wages.
- **Marketing/Promotion:** Projected higher in the first year and then dropping due to extra marketing devoted to the launch and the weaning off of search engine marketing over time
- **Depreciation:** Reflects the growing investment in trucks and equipment over the years. Trucks are depreciated on a 10-years straight-line schedule.
- **Truck Maintenance/Repair:** Estimated at 2% per month per truck to will rise to 4 in year 4 due to aging of the trucks purchased.
- **Rent & Utilities:** Projected to rise slightly due to inflationary increases
- **Insurance:** Will grow with the number of trucks and size of operations
- **Payroll Taxes:** Applied to payroll as listed and half of the direct cost of sales
- **Licensing and Permitting:** Include ongoing renewals of licenses and additional licenses for new trucks as they are purchased

The business expects a net loss in the first year as operations and sales scale up appropriately. Net profits will begin in the second year.

### Gross Margin



### Net Profit



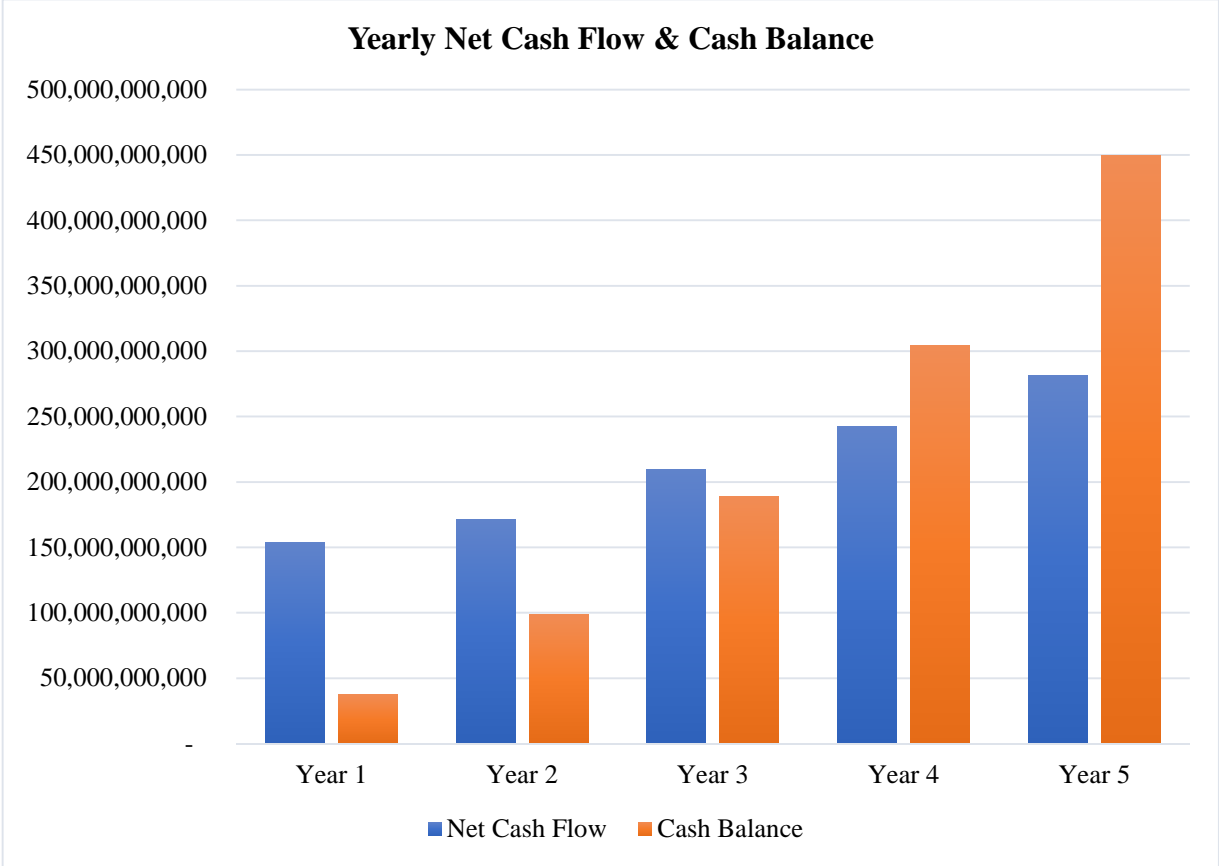
## Profit and Loss Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenue</b>					
General Freight Delivery	143,769,600,000	172,523,520,000	207,028,224,000	238,082,457,600	273,794,826,240
Dump Truck	5,054,400,000	6,065,280,000	7,278,336,000	8,370,086,400	9,625,599,360
Excavator	1,572,480,000	1,886,976,000	2,264,371,200	2,604,026,880	2,994,630,912
Forklift	673,920,000	808,704,000	970,444,800	1,116,011,520	1,283,413,248
Cranes/Reach Stalker	808,704,000	970,444,800	1,164,533,760	1,339,213,824	1,540,095,898
Bobcat/Wheel loader	2,695,680,000	3,234,816,000	3,881,779,200	4,464,046,080	5,133,652,992
<b>Total Revenue</b>	<b>154,574,784,000</b>	<b>185,489,740,800</b>	<b>222,587,688,960</b>	<b>255,975,842,304</b>	<b>294,372,218,650</b>
<b>Direct Cost</b>					
General Direct Costs	86,561,879,040	83,470,383,360	80,131,568,026	76,792,752,691	73,593,054,662
<b>Total Direct Cost</b>	<b>86,561,879,040</b>	<b>83,470,383,360</b>	<b>80,131,568,026</b>	<b>76,792,752,691</b>	<b>73,593,054,662</b>
<b>Gross Margin</b>	<b>68,012,904,960</b>	<b>102,019,357,440</b>	<b>142,456,120,934</b>	<b>179,183,089,613</b>	<b>220,779,163,987</b>
<b>Gross Margin %</b>	44%	55%	64%	70%	75%
<b>Operating Expenses</b>					
Payroll	1,867,440,000	1,867,440,000	1,867,440,000	1,867,440,000	1,867,440,000
Marketing & Promotion	29,952,000	19,968,000	12,480,000	11,232,000	10,670,400
Depreciation & Amortization	5,749,066,752	5,749,066,752	5,749,066,752	5,749,066,752	5,749,066,752
Truck Maintenance & Repair	1,087,531,794	1,087,531,794	857,569,124	771,812,211	771,812,211
Insurance	2,283,816,767	2,042,355,964	1,800,895,160	1,620,805,644	1,458,725,080
Payroll Taxes	196,912,005	196,912,005	196,912,005	196,912,005	196,912,005
Licenses and Permitting	1,317,888,000	1,317,888,000	1,317,888,000	1,317,888,000	1,317,888,000
Rent	-	-	-	-	-
Security	15,600,000	18,720,000	21,840,000	24,024,000	26,426,400
Utilities	10,920,000	12,480,000	15,600,000	17,160,000	18,876,000
Web Hosting and Development	10,894,000	17,875,000	19,708,000	21,678,800	23,846,680
Miscellaneous	109,200,000	124,800,000	156,000,000	171,600,000	188,760,000
<b>Total Operating Expenses</b>	<b>12,679,221,318</b>	<b>12,455,037,515</b>	<b>12,015,399,041</b>	<b>11,769,619,412</b>	<b>11,630,423,528</b>
<b>Profit Before Interest and Taxes</b>	<b>55,333,683,642</b>	<b>89,564,319,925</b>	<b>130,440,721,894</b>	<b>167,413,470,201</b>	<b>209,148,740,460</b>
Income Taxes	16,600,105,092	26,869,295,978	39,132,216,568	50,224,041,060	62,744,622,138
Interest	1,505,296,120	1,456,038,954	1,404,787,770	1,404,787,770	1,404,787,770
<b>Net Profit</b>	<b>37,228,282,429</b>	<b>61,238,984,994</b>	<b>89,903,717,555</b>	<b>115,784,641,370</b>	<b>144,999,330,551</b>
<b>Net Profit/Sales %</b>	24%	33%	40%	45%	49%

**7.4 Projected Cash Flow**

Cash flow reflects the seasonal purchasing of our customers. Our Cash Balance will increase as customers return to us for repeat sales, after their initial great experiences with us, based on the reasonable assumption.

The Cash Flow table shows the projected new long-term five-year loan to be secured in 2025 which will be used to purchase assets for 100% of the purchase price.



## Projected Cash Flow

Cash Received	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Cash from Operations</b>					
Cash Sales	154,574,784,000	185,489,740,800	222,587,688,960	255,975,842,304	294,372,218,650
Cash from Receivables					
<b>Subtotal Cash from Operations</b>	<b>154,574,784,000</b>	<b>185,489,740,800</b>	<b>222,587,688,960</b>	<b>255,975,842,304</b>	<b>294,372,218,650</b>
<b>Additional Cash Received</b>					
Sales Tax, Income Tax, VAT Paid Out	16,600,105,092	26,869,295,978	39,132,216,568	50,224,041,060	62,744,622,138
New Current Borrowing	826,610,267				
New Other Liabilities (interest-free)					
New Long-term Liabilities	70,239,388,522				
Sales of Other Current Assets					
Sales of Long-term Assets					
New Investment Received					
<b>Subtotal Cash Received</b>	<b>242,240,887,881</b>	<b>212,359,036,778</b>	<b>261,719,905,528</b>	<b>306,199,883,364</b>	<b>357,116,840,787</b>
<b>Expenditures</b>					
Expenditures from Operations					
Cash Spending	12,679,221,318	12,455,037,515	12,015,399,041	11,769,619,412	11,630,423,528
Bill Payments					
<b>Subtotal Spent on Operations</b>	<b>12,679,221,318</b>	<b>12,455,037,515</b>	<b>12,015,399,041</b>	<b>11,769,619,412</b>	<b>11,630,423,528</b>
<b>Additional Cash Spent</b>					
Sales Tax, Income Tax, VAT Paid Out	16,600,105,092	26,869,295,978	39,132,216,568	50,224,041,060	62,744,622,138
Other Liabilities Principal Repayment	1,505,296,120	1,456,038,954	1,404,787,770	1,404,787,770	1,404,787,770
Long-term Liabilities Principal Repayment					
Purchase Other Current Assets					
Purchase Long-term Assets	57,490,667,520				
Dividends					
<b>Subtotal Cash Spent</b>	<b>88,275,290,051</b>	<b>40,780,372,446</b>	<b>52,552,403,379</b>	<b>63,398,448,243</b>	<b>75,779,833,436</b>
<b>Net Cash Flow</b>	<b>153,965,597,830</b>	<b>171,578,664,332</b>	<b>209,167,502,149</b>	<b>242,801,435,122</b>	<b>281,337,007,352</b>
Cash at Beginning of Period	297,832,242	37,526,114,671	98,765,099,665	188,668,817,220	304,453,458,590
Net Change in Cash	37,228,282,429	61,238,984,994	89,903,717,555	115,784,641,370	144,999,330,551
<b>Cash at End of Period</b>	<b>37,526,114,671</b>	<b>98,765,099,665</b>	<b>188,668,817,220</b>	<b>304,453,458,590</b>	<b>449,452,789,142</b>

## 7.5 Projected Balance Sheet

The balance sheet illustrates the launch of the business on equity financing and augmented by safe debt over its first three years of operation to purchase new trucks. This will allow cash and assets, as well as net worth, to continue to grow.

Retained earnings will be set positive in the third year after two profitable years of operation.

### Projected Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash	297,832,242	37,526,114,671	98,765,099,665	188,668,817,220	304,453,458,590
Account Receivable	104,799,609,612	84,326,555,044	48,986,201,125		
Inventory					
Other Current Assets					
<b>Total Current Assets</b>	<b>105,097,441,854</b>	<b>121,852,669,715</b>	<b>147,751,300,790</b>	<b>188,668,817,220</b>	<b>304,453,458,590</b>
Long-term Assets	57,490,667,520	57,490,667,520	57,490,667,520	57,490,667,520	57,490,667,520
Accumulated Depreciation	5,749,066,752	11,498,133,504	17,247,200,256	22,996,267,008	28,745,333,760
<b>Total-Long Term Assets</b>	<b>63,239,734,272</b>	<b>68,988,801,024</b>	<b>74,737,867,776</b>	<b>80,486,934,528</b>	<b>86,236,001,280</b>
<b>Total Assets</b>	<b>168,337,176,126</b>	<b>190,841,470,739</b>	<b>222,489,168,566</b>	<b>269,155,751,748</b>	<b>390,689,459,870</b>
<b>Accounts Payable</b>					
Sales / Income Taxes Payable	16,600,105,092	26,869,295,978	39,132,216,568	50,224,041,060	62,744,622,138
Short-Term Debt					
Prepaid Revenue					
<b>Total Current Liabilities</b>	<b>16,600,105,092</b>	<b>26,869,295,978</b>	<b>39,132,216,568</b>	<b>50,224,041,060</b>	<b>62,744,622,138</b>
Long-Term Debt	57,018,121,084	45,242,522,247	35,962,566,923	28,770,053,538	23,016,042,831
<b>Total Liabilities</b>	<b>73,618,226,177</b>	<b>72,111,818,225</b>	<b>75,094,783,491</b>	<b>78,994,094,599</b>	<b>85,760,664,969</b>
Paid-in Capital	57,490,667,520	57,490,667,520	57,490,667,520	57,490,667,520	57,490,667,520
Retained Earnings				16,886,348,259	102,438,796,831
Earning	37,228,282,429	61,238,984,994	89,903,717,555	115,784,641,370	144,999,330,551
<b>Total Owner's Equity</b>	<b>94,718,949,949</b>	<b>118,729,652,514</b>	<b>147,394,385,075</b>	<b>190,161,657,150</b>	<b>304,928,794,902</b>
<b>Total Liabilities &amp; Equity</b>	<b>168,337,176,126</b>	<b>190,841,470,739</b>	<b>222,489,168,566</b>	<b>269,155,751,748</b>	<b>390,689,459,870</b>
<b>Net Worth</b>	<b>94,718,949,949</b>	<b>118,729,652,514</b>	<b>147,394,385,075</b>	<b>190,161,657,150</b>	<b>304,928,794,902</b>