



HORYAAL
TRANSPORT CO. LTD.



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1. Industry Overview

The petroleum, gas and Logistics Services industry comprises of companies that provide consolidation of petroleum consignments, trade document preparation, petroleum services and logistics services.

Tanzania is the international gateway for several of its landlocked neighbouring countries. Burundi, Rwanda, Uganda, DR Congo, Zambia and Malawi are all dependent on the country's petroleum and transport network for their access to global markets. In an effort to improve its economic performance, Tanzania is a member of the Southern Africa Development Community (SADC) and East African Community (EAC) Regional blocks.

The petroleum, gas and transport system in Tanzania consists of five modes: roads, rail, water, air and pipelines. A high proportion of the infrastructure was not modernized over time due to limited resources to invest, Furthermore, a large amount of infrastructure and equipment is now beyond its economic life. The availability of proper transport infrastructure and efficient transport services are crucial determinants for socio-economic development and industrial development.

There has been a tremendous effort by the Government of Tanzania to create essential petroleum distribution and transport infrastructure and services which eventually improve access to jobs, education as well as to facilitate domestic and international trade.

A proper petroleum and transport business and communication network normally promotes trade, promotes tourism, strengthens regional integration and attracts foreign investments while contributing to the government revenue. It is important to emphasize that to be economically and financially sustainable, transportation must be cost effective and continuously responsive to changing demands through the creation of a more competitive transport sector.

Tanzania's petroleum system performs fairly well compared to its African peers, but quality is still poor and has a negative impact on the economy's productive capacity.

The petroleum industry in Tanzania plays an essential role in growing and improving the other industries as well. The petroleum Performance Index shows that Tanzania's overall logistics ranking has shown significant improvement over the past few years.

Of note, international shipments, infrastructure, track & trace and petroleum competence have improved significantly. Some of the key factors that will contribute to growth in this industry include growth in the manufacturing sector, consumption, international trade and also increase in technology reliance will provide new opportunities for logistics consulting and advisory services, particularly for distribution chain networks and logistics.

petroleum 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.

Today, all types of industries in the world are dependent on the petroleum sector. Logistics have become an essential requirement of any enterprise which has a supply chain.

Trucks will continue to have the largest share of the freight market. Unlike railroads, pipelines, or water carriers, they don't face geographic limits caused by physical constraints, and can offer door to door service.

It is no doubt that starting and operating a Transport and Logistics Services Company can be capital intensive and challenging, but at the same time quite rewarding.

2. Executive Summary

Who We Are

Established in 2013 HORYAAL TRANSPORT CO. LTD is a registered and licensed petroleum wholesale and Logistics services provider with the Head Office in Dar-es-salaam, Tanzania.

HORYAAL TRANSPORT CO. LTD is a dynamic and innovative petroleum wholesale and Logistics Company, with a strategic specialized petroleum providing solutions throughout East Africa & the SADC countries for a diverse range of customers.

Our big vision, innovative solutions, strategic partnerships and service offerings coupled with excellent service, quick decision making and first-hand knowledge enables us to supply our customers with a tailor made, reliable and cost-effective solution.

HORYAAL TRANSPORT CO. LTD operations grew to its current size due to our integrity, drive to supply innovative solutions to our customers and integration ability of elements within the supply chain and the various cultures involved across the East Africa & SADC region.

The Company seeks to raise interest in its petroleum wholesale business and to seek out financial support for expansion.

HORYAAL TRANSPORT CO. LTD has a well-thought-out plan that the business people and financial institutions will recognize the potential it possesses and will wholly support it.

Our Mission

Our mission and core values are integrated in what we strive to achieve as the Infinite way.

Our Vision

To be acknowledged by our customers as an integral part of their petroleum wholesale supply chain requirements within East Africa and the rest of the SADC countries.

Our Core Values

Integrity

Innovation

Integration

What We Do

We are in business to provide petroleum wholesale and Logistics services.

With a grow of capital petroleum wholesale with a capacity to carry 30 tons, we provide road petroleum wholesale services throughout East and Central African regions to countries which include Zambia, DRC, Rwanda, Burundi, Uganda, Kenya, Malawi, South Africa and Southern Sudan through the TAZARA Corridor, Central Corridor and Northern Corridor.

In order to provide maximum flexibility, we operate a fleet of flat-bed and drop-side trailers. This enables loading of containerized cargo as well as break-bulk goods.

Transport

Our transport services deals with the following:

Liquid-bulk Tankers - Fuel, various solvents, various acids, edible oils, explosives etc.

Clearing, forwarding & goods

We generate all relevant clearing documentation, thus will handle your load from loading point to offloading point through all borders Provisions of bond facilities

Material handling & warehouse petroleum wholesale depots Our customers and potential customers alike can

be rest assured that they will get quality services at competitive rates thereby receiving value for their money.

As a norm, we go the extra mile to ensure the safety of goods under our care.

We are quite optimistic that our values and quality of service we bring to the market will help us drive our business to enviable heights and also help us attract the numbers of clients that will make the business highly profitable.

3. Our Products and Services

HORYAAL TRANSPORT CO. LTD will be especially attractive to companies in need of delivery services in the EAC and SADC member countries.

The Company is established with the aim of maximizing profits in the petroleum wholesale and Logistics Services industry.

We want to compete favourably with the leading petroleum wholesale and logistics companies in the EAC and SADC member countries which is why we will ensure that every service carried out or related services rendered meet and even surpass our customers' expectations.

4. Our Business Structure

Our business structure is designed in such a way that it can accommodate both full-time and part time employees.

We will ensure that we hire people on merit with who are qualified, hardworking, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders.

5. SWOT Analysis

As a company, we look forward to maximizing our strength and opportunities and also to work around our weaknesses and threats.

Strength

Our strength is strong management, customer loyalty and strong reputation amongst domestic and industry players. Our head office is located near the port of Dar es Salaam which gives us an edge over our competitors.

We also have an experienced, dedicated and hardworking team that make the company the way it is.

Weakness

Our weakness could be lack of finance, cost structure, lack of scale compared to our peers who have already gained ground in the industry.

As a new business which is owned by an individual (family), and we may not have the financial muscle to sustain the kind of publicity we want to give our business. Additionally, we are aware that it will take time for us to build trust with our clients and establish ourselves.

Opportunities

The truth is that there is no petroleum wholesale and logistics company that ferries cargo to the destinations we intend to reach using a modern infrastructure like the one we intend to use.

We intend to pursue innovation to fundamentally change our approach to the way we will work realize its long-term vision. We will utilize the online market and new technology to open new markets. Our office location and size give us the strength to operate fast and conveniently.

Threat

Some of the threats that we are likely to face are mature markets and poor infrastructure which may reduce the speed we would like to operate with.

6. Market Analysis

Market Trends

Most players in the transport and logistics services industry are positioning their businesses to maximize profits. Large established companies tend to have their own truck fleets, but many smaller companies outsource the freight transportation function. These smaller companies have a steady demand for reliable transportation solutions. We will actively solicit such customers to meet this need.

Some of the key factors that will contribute to growth of our company are growth in the manufacturing sector, political stability and international trade. As the economy grows, the demand for goods will continue to increase, and more truck drivers will be needed to keep supply chains moving.

As fuel prices rise, some companies may switch their shipping to rail to lower costs. However, rail is unlikely to take much market share away from trucks because even with high diesel prices for trucks, they are more efficient for short distances. Additionally, many products need to be delivered within the short time frame that only trucks can operate in. Target Market

Our target markets are basically every one (organizations and individual as well who have cause to move documents, goods and materials from one location to another. We intend to target the following:

- Retailers
- Manufacturers (Chemical manufacturers, and Textiles manufactures et al)
- Corporate organizations
- Government agencies
- Churches and religious organizations
- Non-Governmental and Charity organizations

Our Competitive Edge

HORYAAL TRANSPORT CO. LTD offers the following advantages to customers:

- Experienced Personnel
- Quality Service - Customers will be provided with prompt and dependable service.
 -
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- Timely Delivery - We will develop a reputation for timely deliveries Excellent customer care
- Use of systems – easy to use payment systems, tracking and communication systems □
- Competitive rates – We will provide competitive rates to customers □ Team work

- Package handling – We will ensure there is no damage to customer's cargo.

7. SALES AND MARKETING STRATEGY

The sales and marketing strategy that we will adopt is driven by professionalism, excellent customer service and quality service delivery.

Our strategy will ensure that we build a loyal customer base.

Marketing Plan

HORYAAL TRANSPORT CO. LTD intends to maintain a marketing campaign that will ensure maximum visibility for the business in its targeted market.

- We will establish relationships with transportation companies in need of freight delivery services within the EAC and SADC member states.
- We will use modern technology in service delivery through tracking capabilities and insurance services.
- We will develop an online presence by having an active website and use of online directories.
- Our sales and marketing team will be recruited based on their vast experience in the industry and they will be trained regularly so as to meet their targets.
- We will print out fliers and business cards and strategically drop them in offices, libraries and public offices.
- Use friends and family to spread word about our business
- We will place a small or classified advertisement in the newspaper, or local publication about our company and the services we offer
- Leverage on referral networks such as agencies that will attract clients who would need our customized services
- We will advertise our business in relevant magazines, newspapers, TV stations, and radio stations.
- We will attend relevant expos, seminars, and business fairs et al to market our services
- We will join local chambers of commerce and industry to market our services.
- We will use the media and billboards to advertise the company and offered services.

Promotion Strategy

We will focus on the following areas: □

Web Presence

- On-Time Reputation

- Targeting other petroleum wholesale companies in need of assistance with freight delivery
- Providing premium services to our customers.
- Leverage on the internet and social media platforms like; Instagram, Facebook ,et al
- Participation in Corporate Social Responsibility
- Build a customer-oriented business

Sources of Income

We will ensure that we leverage on our strength and the opportunities available to us to generate enough income that will help us drive the business to stability.

Revenue Forecast

We have been able to critically examine the petroleum wholesale and logistics service industry and we have analysed our chances in the industry.

Below are the sales projections based on the wide range of services that we will be offering;

| DETAILS | YEAR 1 | YEAR2 | YEAR 3 | YEAR 4 | YEAR 5 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| METRIC TONE INTER PER ANNUM | 60,480.00 | 90,720.00 | 141,120.00 | 171,360.00 | 197,568.00 |
| PPRICE PER MTN USD B | 200 | 210 | 220 | 200 | 210 |
| SALES PER ANNUM C | 12,096,000.00 | 19,051,200.00 | 31,046,400.00 | 34,272,000.00 | 41,489,280.00 |
| COST OF CARGO SERVICE D | 6,520,260.00 | 10,681,600.00 | 17,522,400.00 | 21,189,720.00 | 19,968,736.00 |

| | | | | | |
|-----------------------------------|--------------|--------------|---------------|---------------|---------------|
| GROSS PROFIT E=C-D | 5,575,740.00 | 8,369,600.00 | 13,524,000.00 | 13,082,280.00 | 21,520,544.00 |
| OPERATING COST F | 1,675,880.00 | 1,987,000.00 | 2,367,865.00 | 3,400,568.00 | 4,465,709.00 |
| EARNING BEFORE INTEREST AND TAX G | 3,899,860.00 | 6,382,600.00 | 11,156,135.00 | 9,681,712.00 | 17,054,835.00 |
| TAX H 30%*G | 1,169,958.00 | 1,914,780.00 | 3,346,840.50 | 2,904,513.60 | 5,116,450.50 |
| EARNING BEFORE DIVIDENDN I=G-H | 2,729,902.00 | 4,467,820.00 | 7,809,294.50 | 6,777,198.40 | 11,938,384.50 |
| | | | | | |

N.B: This projection is done with the assumption that there won't be any major economic meltdown and natural disasters within the stated period stated. Note that the projection might be lower or higher.

Pricing Strategy

Our prices will be affordable and negotiable. The fact that our business door is open to both individuals and corporate organizations means that we will have different price range for different category of clients.

Payment Options

Some of the payment options that we will employ are;

- Payment via bank transfer
- Payment with cash
- Payment via online bank transfer

- Payment via check
- Payment via mobile money

8. BUDGET

In setting up this business and seeing its success in the near future, this is what it would cost;

- Cost of Registration and statutory compliances: Tsh 200,000,000
- Cost for office equipment (computers, printers, furniture, phones, et al): Tsh 300,000,000
- Cost of importation: Tsh 20,000,000,000
- Cost of support importation: Tsh 700,000,000
- Cost of accounting, CRM, Mobile Money and Payroll Software: Tsh 300,000,000
- Cost of tracking and communication system: Tsh 200,000,000
- Cost of stationery – Tsh 100,000,000
- Phone and Utilities (gas, sewer, water and electric) deposits – Tsh 200,000,000.
- Operational cost for the first 6 months (salaries, bills et al) – Tsh 800,000,000
- Cost of Website Maintenance: Tsh 100,000,000
- Promotions (Business cards, Adverts and Promotions et al): Tsh 300,000,000

○ The total budget is Tsh 23,000,000,000

○ The total amount we are seeking is Tsh 13,000,000,000.

○ Raised amount from savings and loans from family and friends is Tsh 10,000,000,000
Funding

HORYAAL TRANSPORT CO. LTD is a family business that is solely owned and financed by family members who do not intend to welcome any external business partnerships. Capital for the business is fully restricted to the following sources;

- Personal savings
- Soft loans from family members and friends
- Loans from banks

9. Sustainability and Expansion Strategy

The future of our business lies in the numbers of loyal customers that we have and the competence of the employees.

We intend to build a business that will survive using its own cash flows without the need for injecting finance from external sources once the business is officially running.

10. Check List

- Business Name Availability Check: Completed
- Purchase of vehicles: In Progress
- Business Incorporation: Completed
- Opening of Corporate Bank Accounts various banks: completed
- Opening Online Payment Platforms: In progress
- Application and Obtaining Tax Payer's ID: Completed
- Application for business license and permit: Completed
- Purchase of All form of Insurance for the Business: Completed
- Renting of office facility and renovation of the facility: In Progress
- Conducting Feasibility Studies and market survey: Completed
- Purchase of Machinery: In Progress
- Start-up Capital Generation: Completed
- Graphic Designs and Printing of Promotional Materials: complete
- Recruitment of employees and drivers: In Progress
- Purchase of furniture, office equipment, electronic appliances and facility facelift: In progress
- Creating Official Website for the Company: Completed
- Creating Awareness for the business (Business PR): In Progress
- Health and Safety and Fire Safety Arrangement: In Progress
- Establishing business relationship with key players in the industry: In Progress