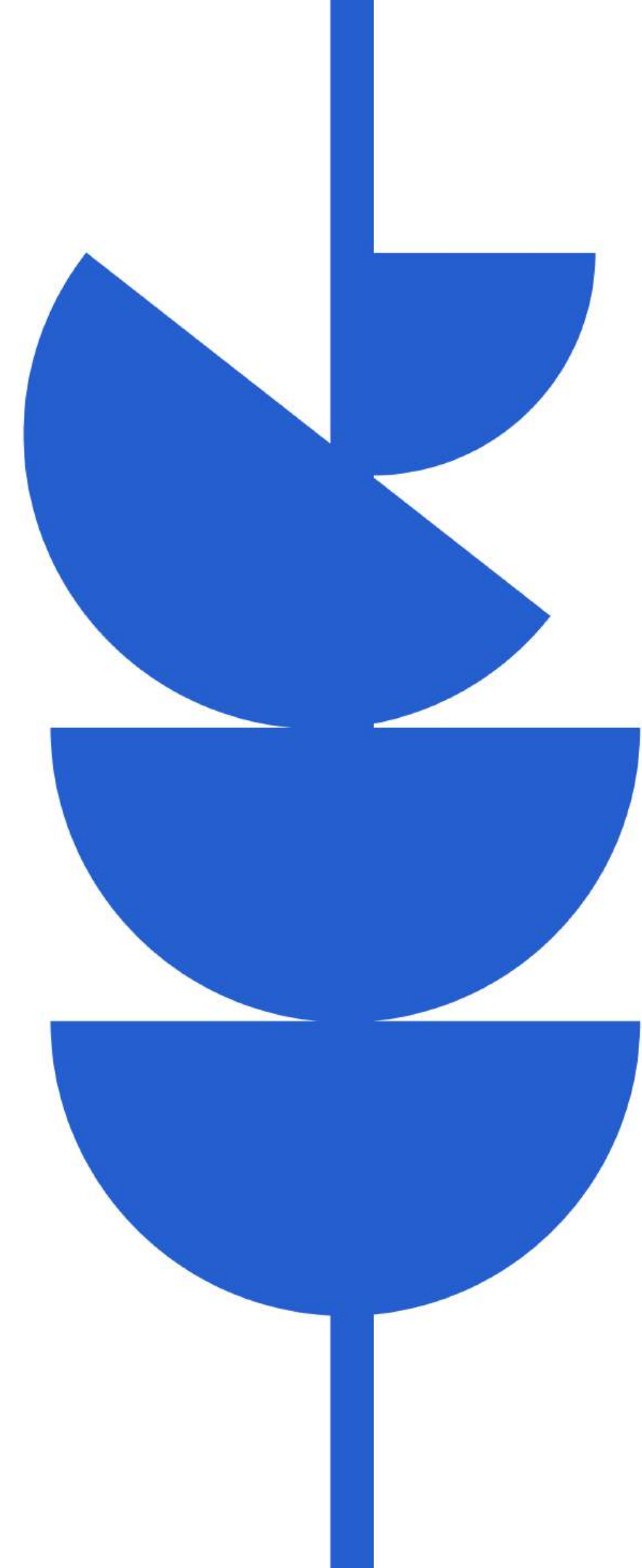


# BUSINESS PLAN FOR WACHU TANZANIA: GARMENT MANUFACTURING INDUSTRY



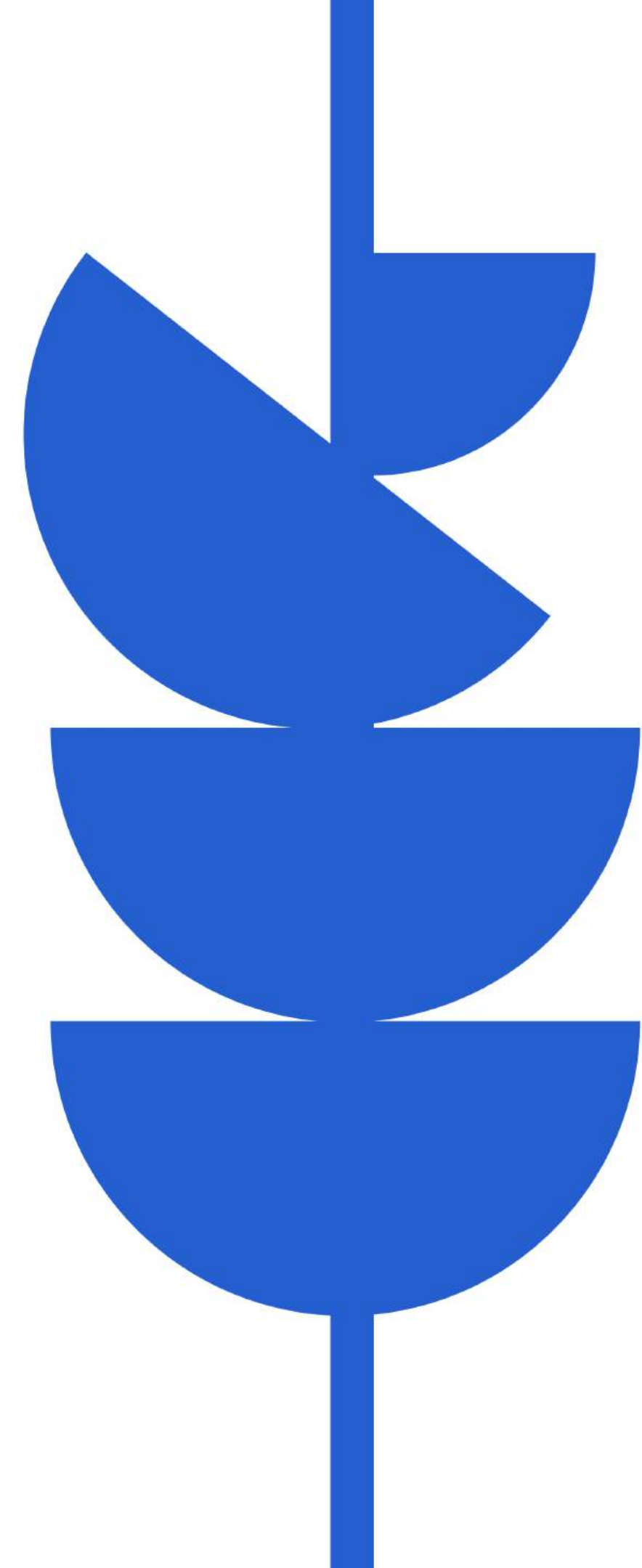
# Executive Summary



WACHU Tanzania is a garment manufacturing industry located in Kigamboni, Tanzania, specializing in producing high-quality socks (90% of production) and other garments such as vests and apparel.

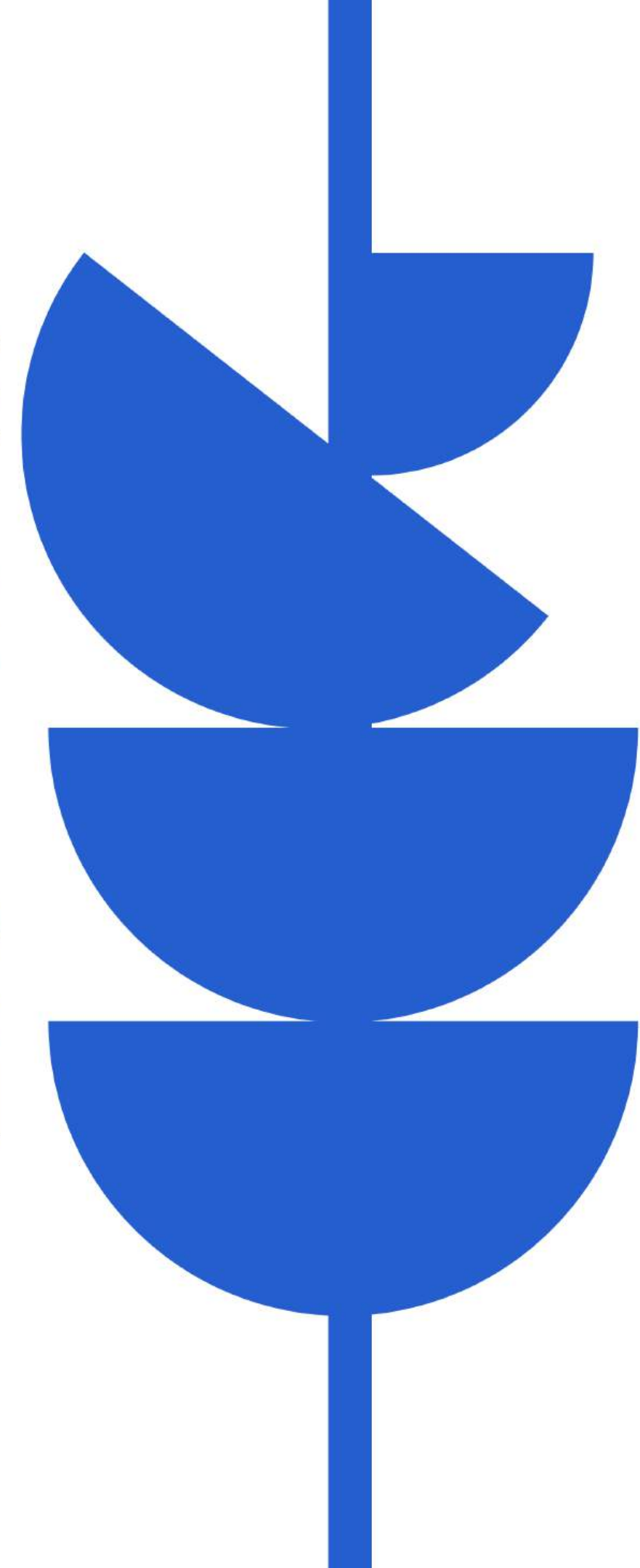
The factory began operations in December 2024 with a mission to supply affordable, durable, and stylish socks for school uniforms and office wear, targeting both local and regional markets in neighboring countries.

Our competitive advantage lies in producing diverse colors, sizes, and lengths tailored to customer preferences.



WACHU aims to become a leading garment manufacturer in East Africa by ensuring superior product quality, affordability, and timely delivery to meet market demands.

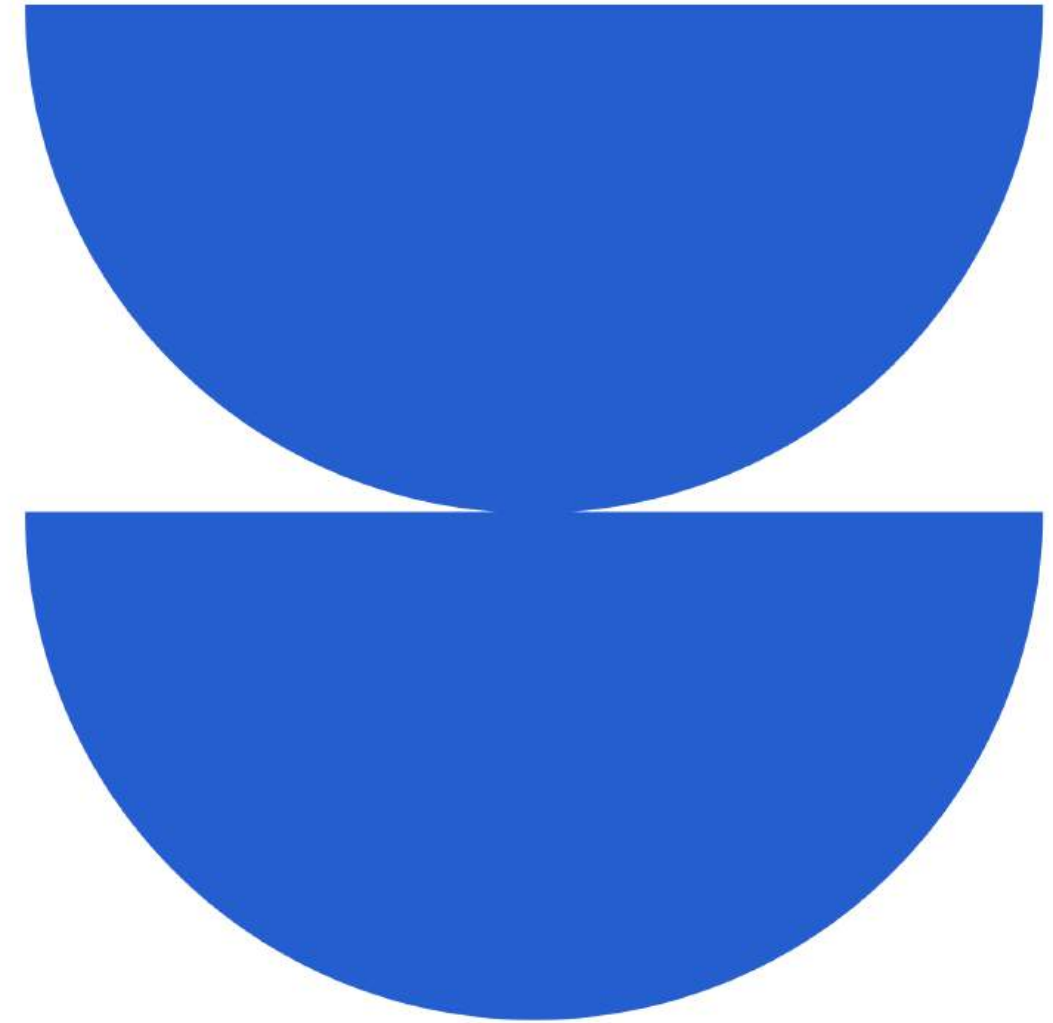
This business plan outlines the company's objectives, funding sources, investment breakdown, operational capacity, and strategies for growth.



# 2. Project Objective

The primary objective of the project is to establish a robust manufacturing facility for producing garments, with a focus on high-quality socks for local and regional markets. This includes:

- Supplying office-style socks and school uniform socks of various designs.
- Expanding product lines to include vests and other apparel items.
- Meeting the growing demand for durable, affordable garments in East Africa.



# 3. Sources of Funding

All funding details are presented in USD, with a total investment breakdown of USD 880,000

Funding Source	Amount (USD)
Private Equity	500,000
Local Loan	380,000
Total Investment	880,000

## 4. Investment Breakdown

The investment required for the project has been categorized as follows:

Type of Asset	Amount of Investment (USD)
Land and Buildings	200,000
Plant and Machinery	320,000
Vehicles	100,000
Furniture and Fittings	30,000
Pre-Expenses	100,000
Others	50,000
Working Capital	80,000
Total	880,000

# 5. Target Markets



THE TARGET MARKETS FOR WACHU'S PRODUCTS INCLUDE

<b>Product</b>	<b>Local Market</b>	<b>Foreign Market</b>
<b>Capital Items</b>		
<b>Raw Materials</b>		
<b>Products Produced</b>		

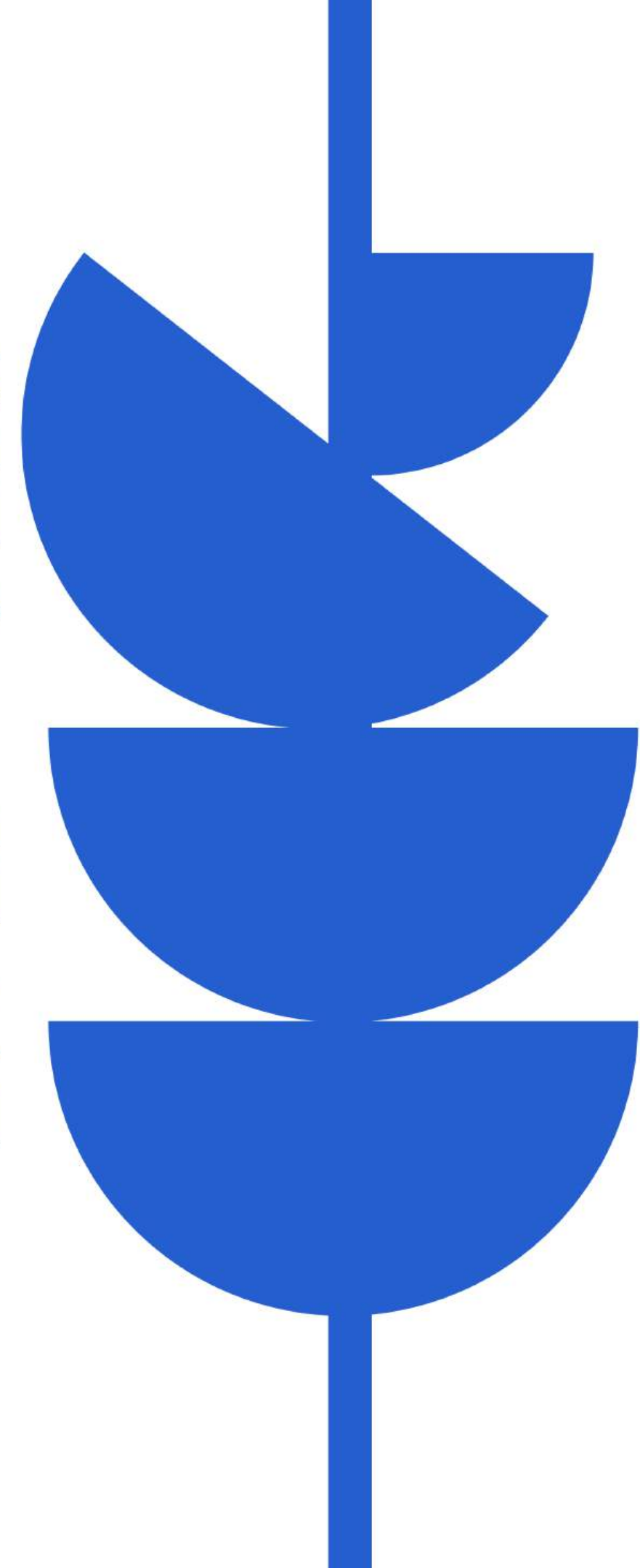
Key export markets include neighboring countries such as Kenya, Uganda, Rwanda, and Zambia, and extend to the southern region of Africa, including countries like Zambia, Zimbabwe and Mozambique where demand for school uniform socks and office wear is high.

These markets offer opportunities to establish partnerships with regional distributors, large retail chains, and schools that require bulk supplies. Demand trends indicate growing needs for high-quality, affordable socks due to increasing school enrollment and expanding corporate sectors.

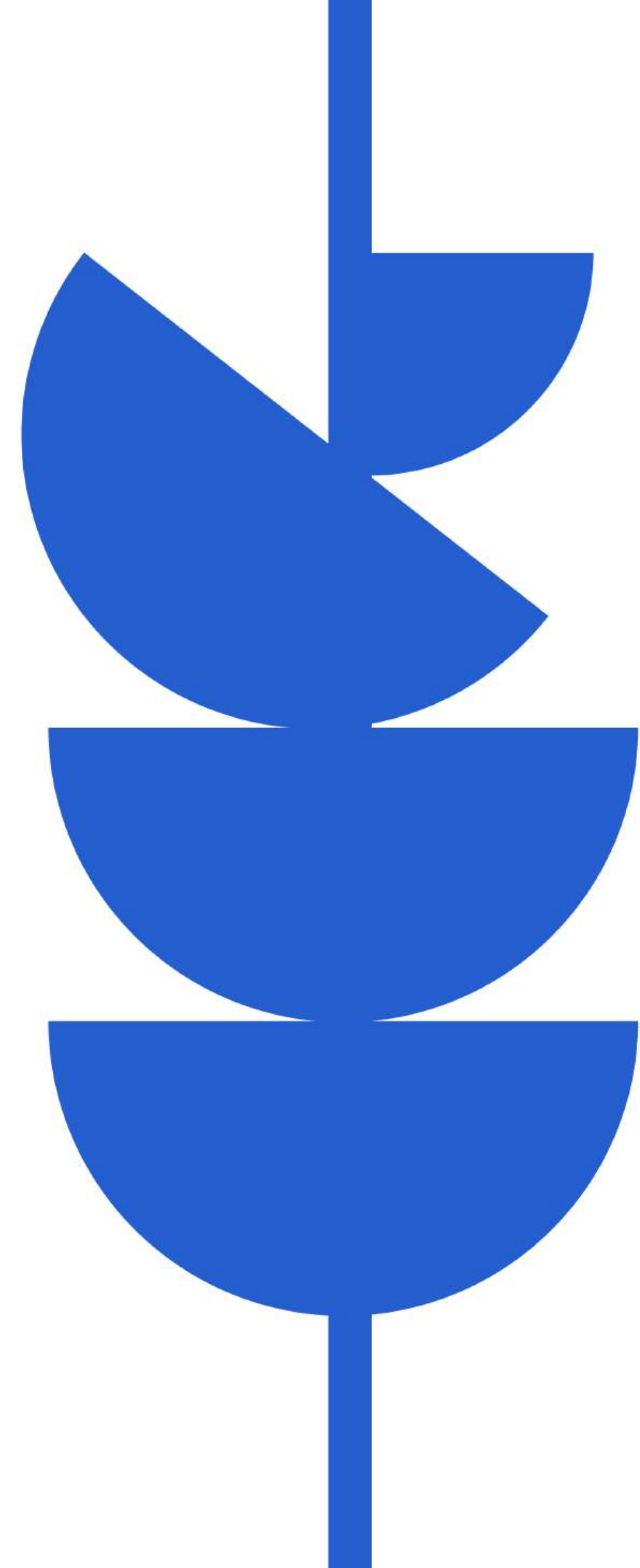


Market entry strategies will focus on leveraging trade agreements, optimizing logistics through Kigamboni's port, and participating in regional trade fairs to showcase product quality and build a strong network of buyers.

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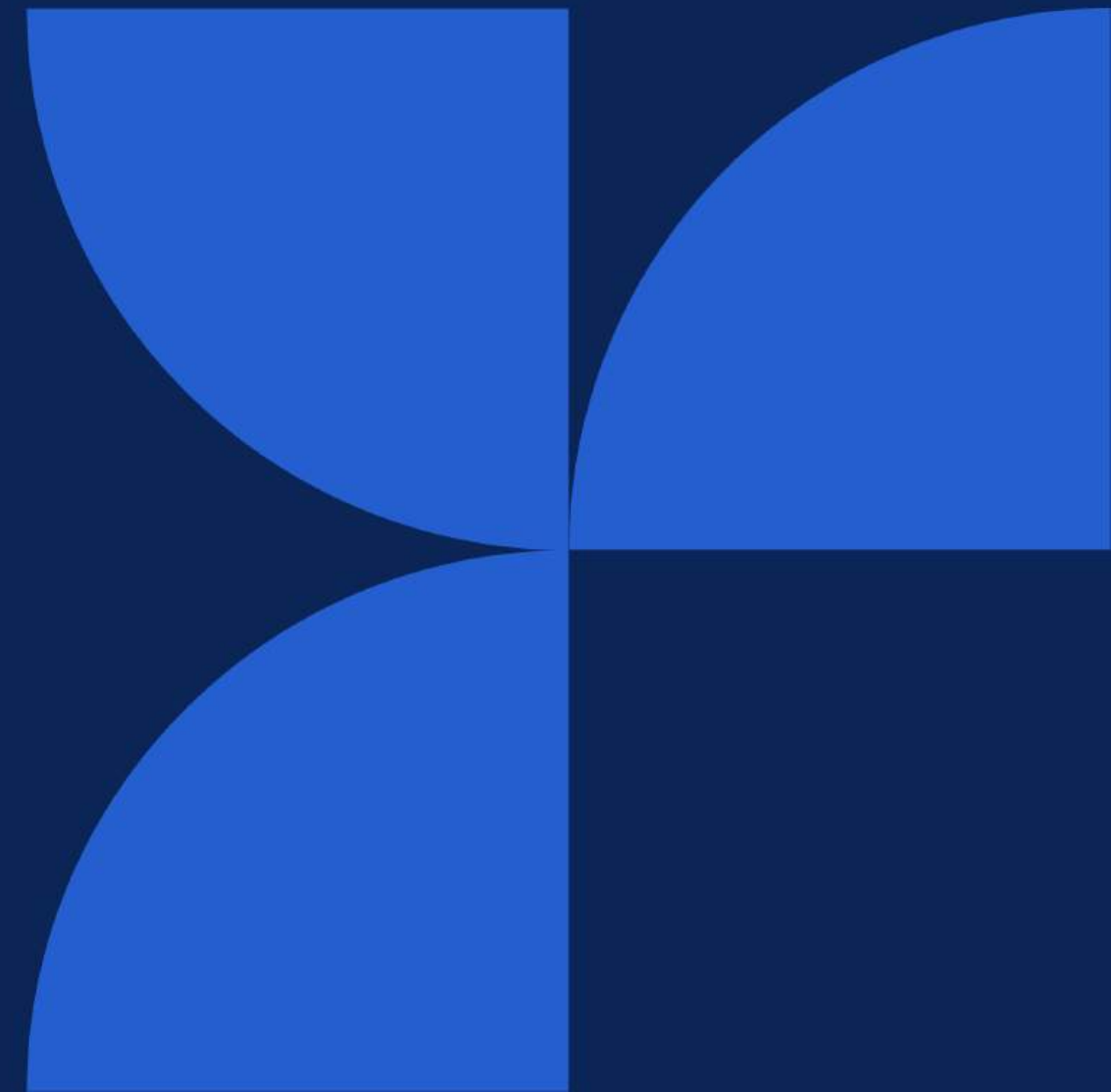
## 6. Commencement Date and Implementation Period

Commencement Date: December 2024

Implementation Period: 12 months (construction, installation, and operations setup).

# 7. Project Capacity

The factory's production capacity is set at 100 containers of finished products annually, equivalent to 5.5 million pairs of socks (based on container capacity).

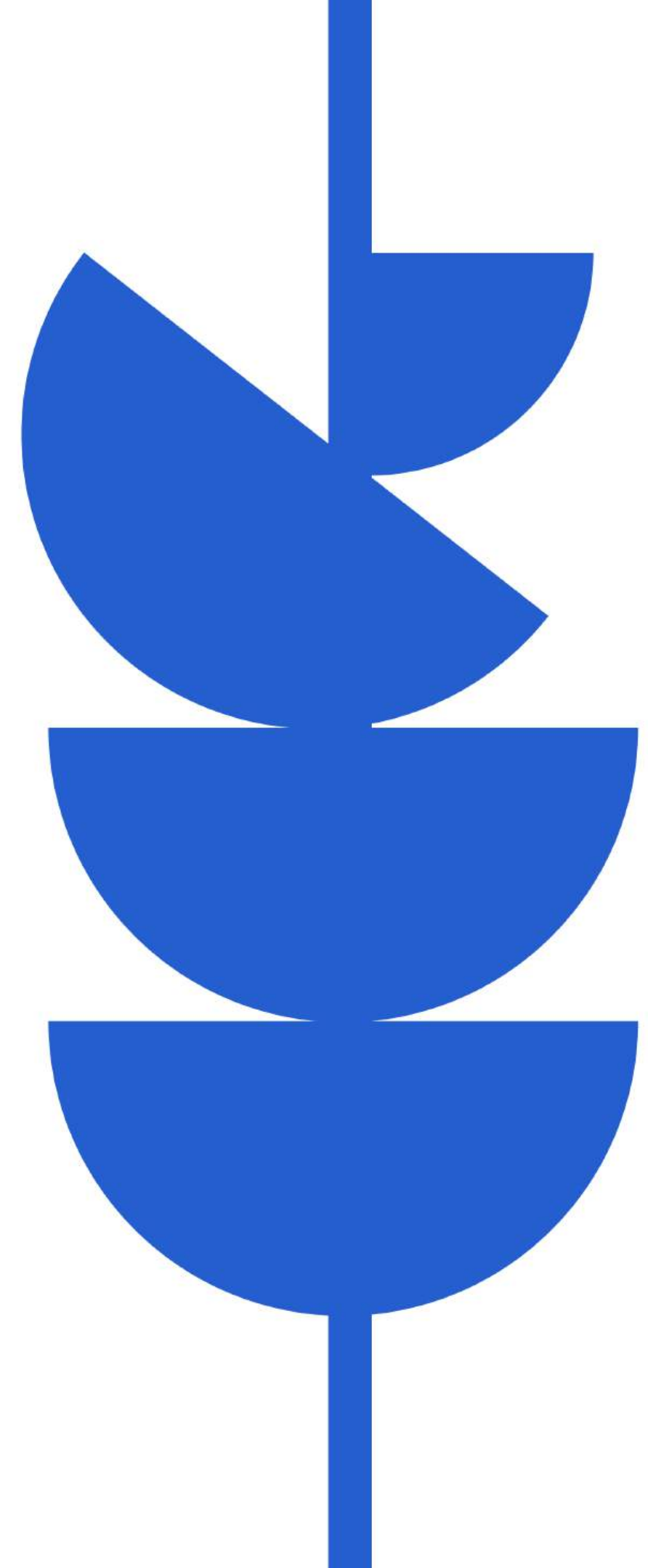


## 8. Expected Jobs

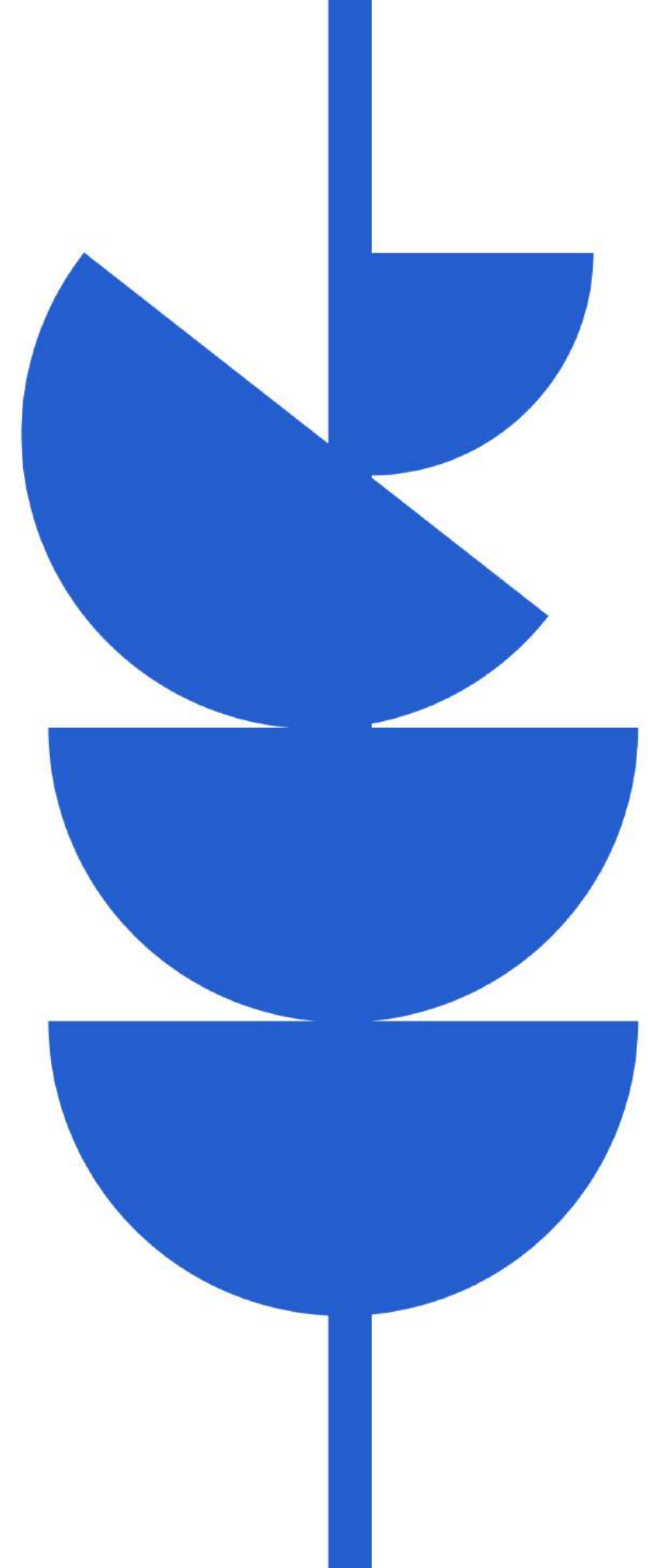
**WACHU'S OPERATIONS WILL CREATE SIGNIFICANT EMPLOYMENT OPPORTUNITIES, INCLUDING:**

<b>Gender</b>	<b>Locals</b>	<b>Foreigners</b>	<b>Total</b>
<b>Male</b>	<b>20</b>	<b>0</b>	<b>20</b>
<b>Female</b>	<b>10</b>	<b>0</b>	<b>10</b>
<b>Total</b>	<b>30</b>	<b>0</b>	<b>30</b>

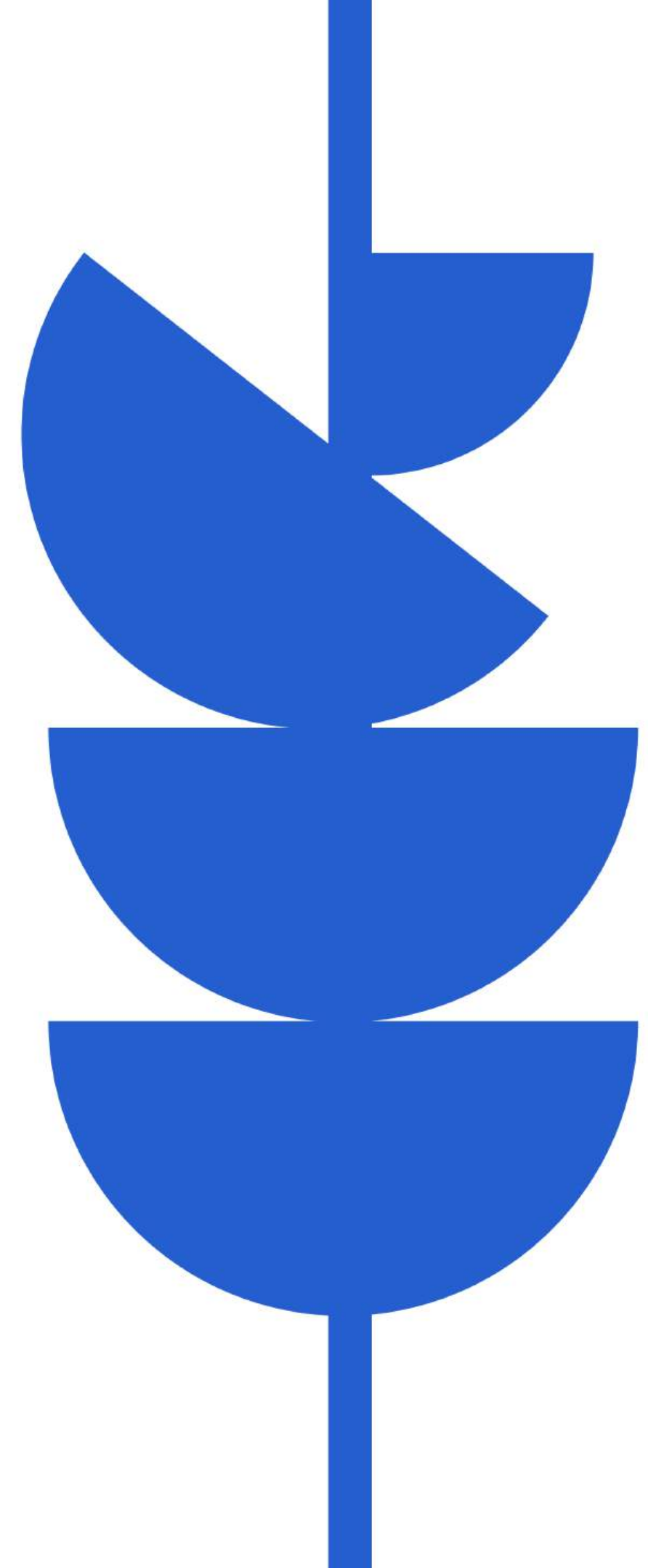
# 9. Competitive Advantage



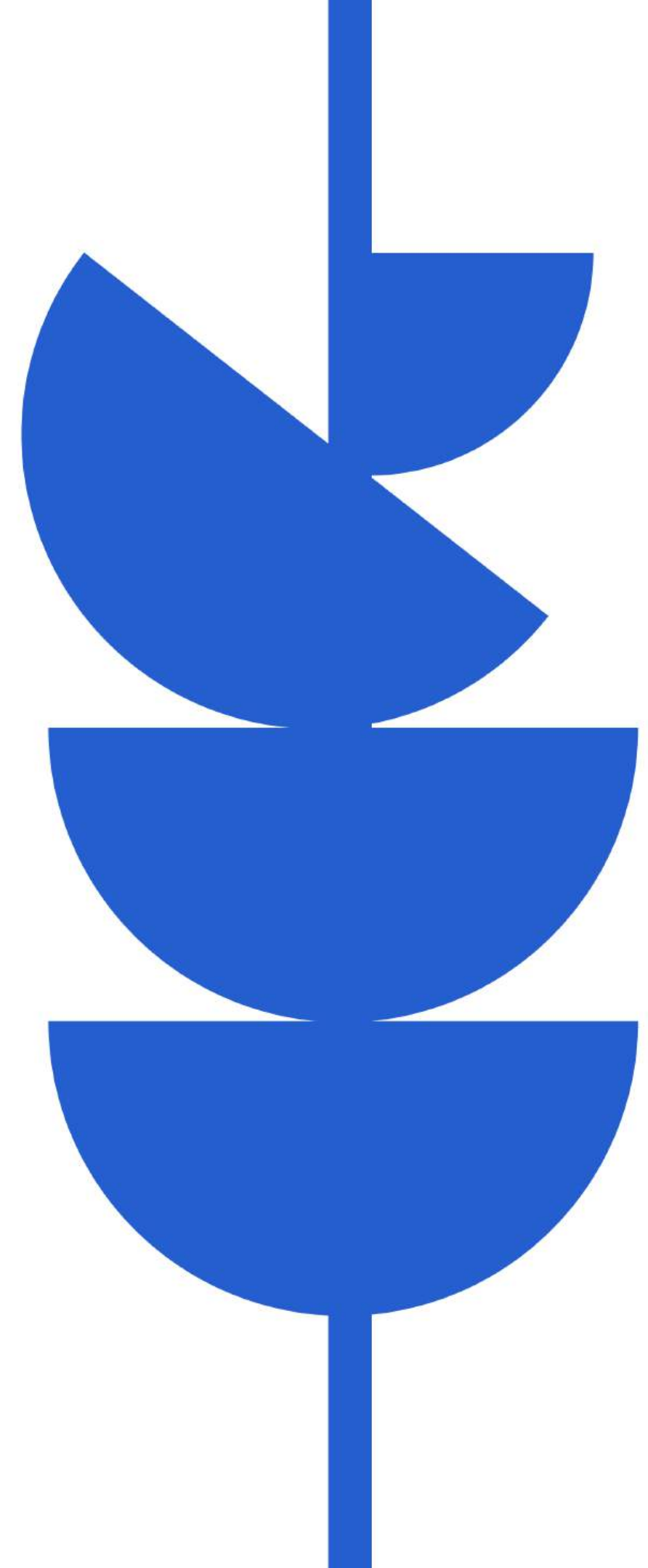
Product Diversity: Wide range of socks catering to different age groups, sizes, and preferences.



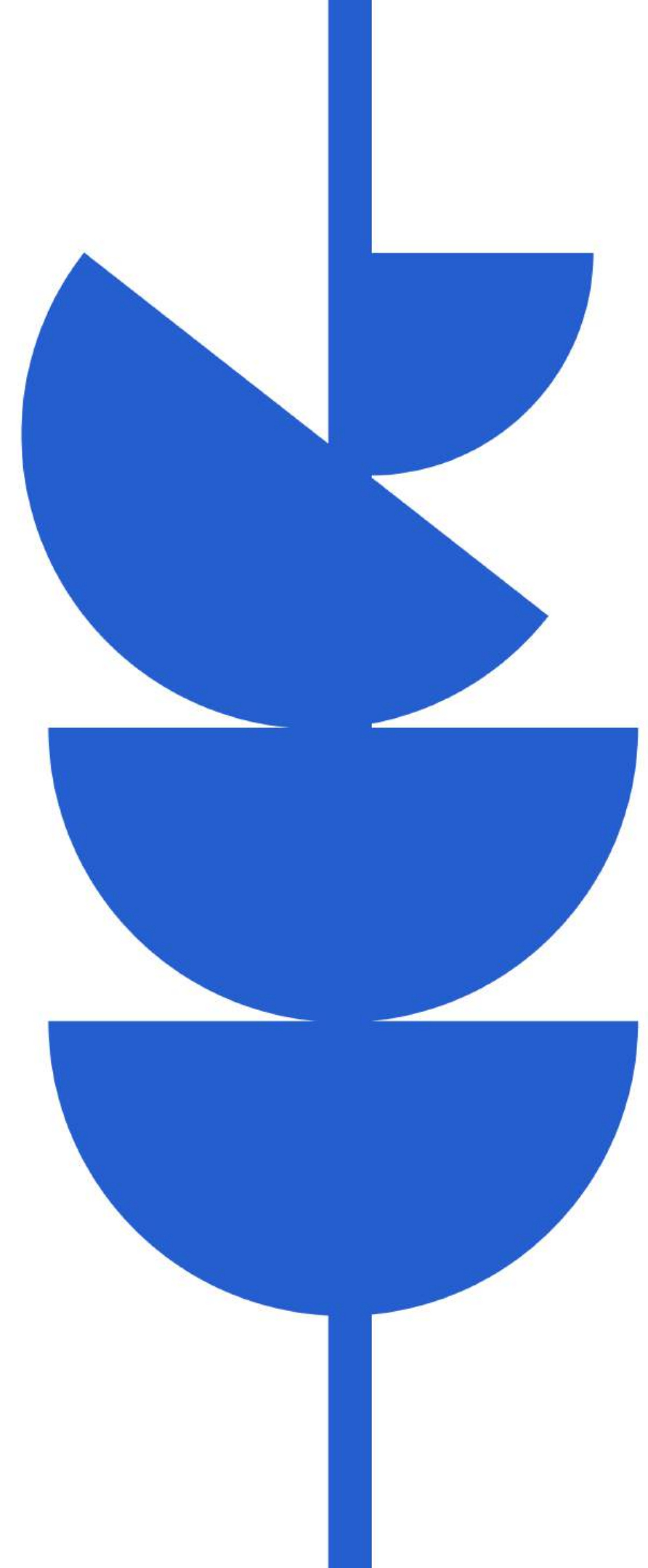
Strategic Location:  
Kigamboni's proximity to  
Dar es Salaam Port  
facilitates both local  
distribution and export  
logistics.



Competitive pricing  
ensures accessibility for  
schools and offices while  
maintaining profitability.



High-Quality Standards:  
Use of durable materials  
and advanced  
manufacturing techniques.

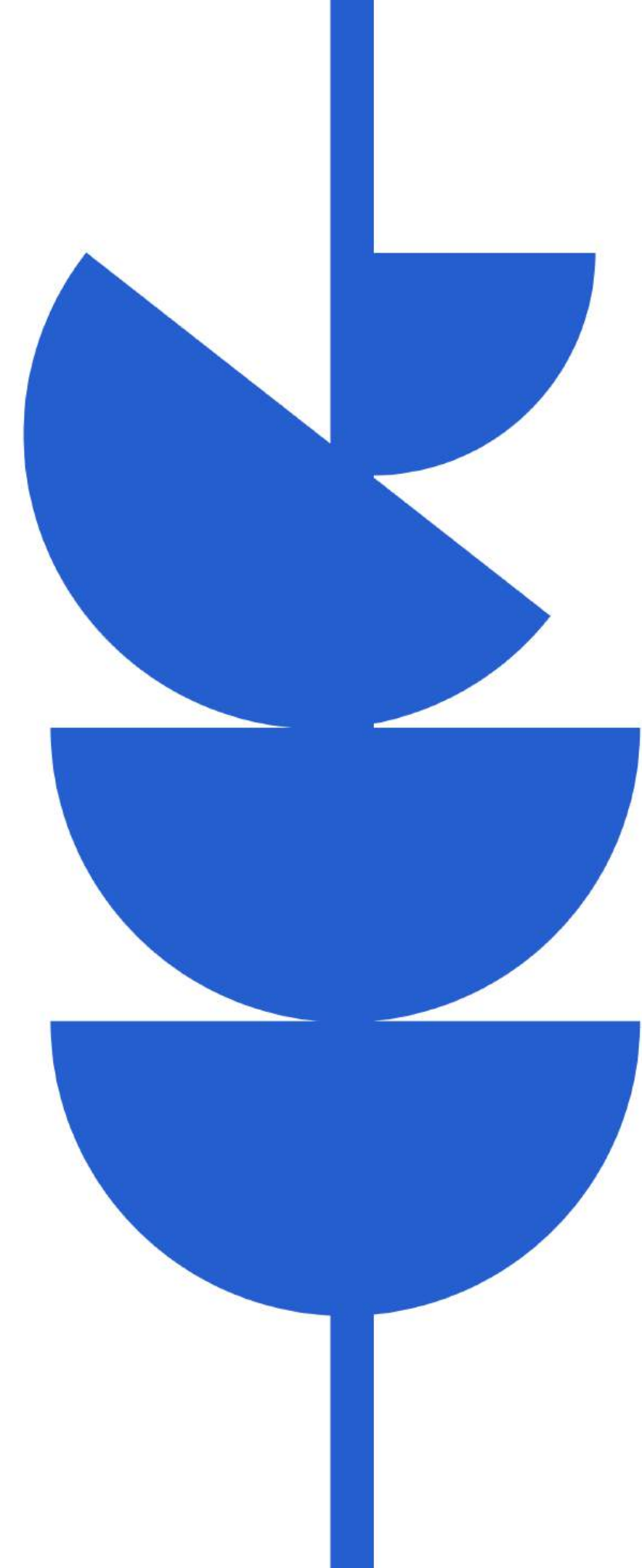


Reliable Supply Chain: Raw materials are sourced from trusted suppliers in China, providing several advantages for WACHU.

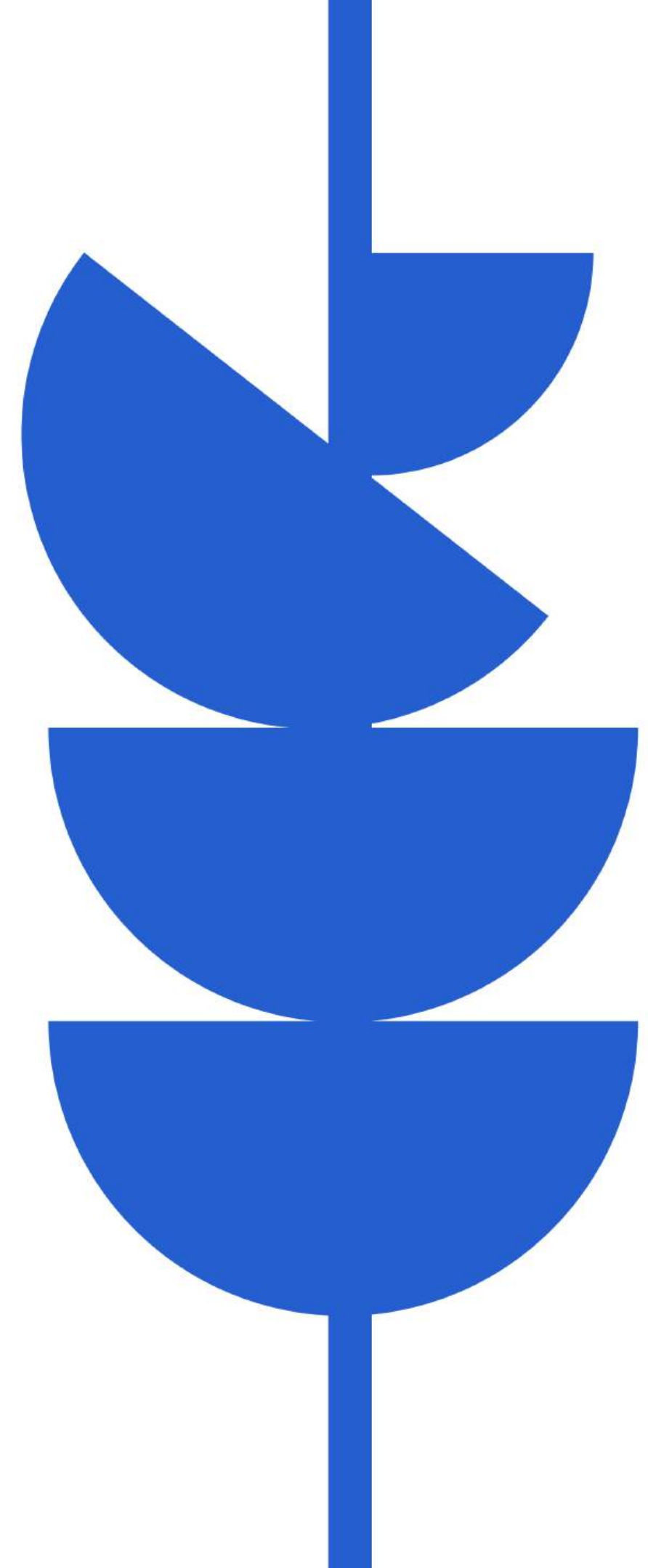
Sourcing from China ensures access to competitive pricing, helping to reduce production costs and maintain affordability in the final products.

Additionally, China offers a wide variety of raw material options, allowing flexibility in meeting specific quality and design requirements.

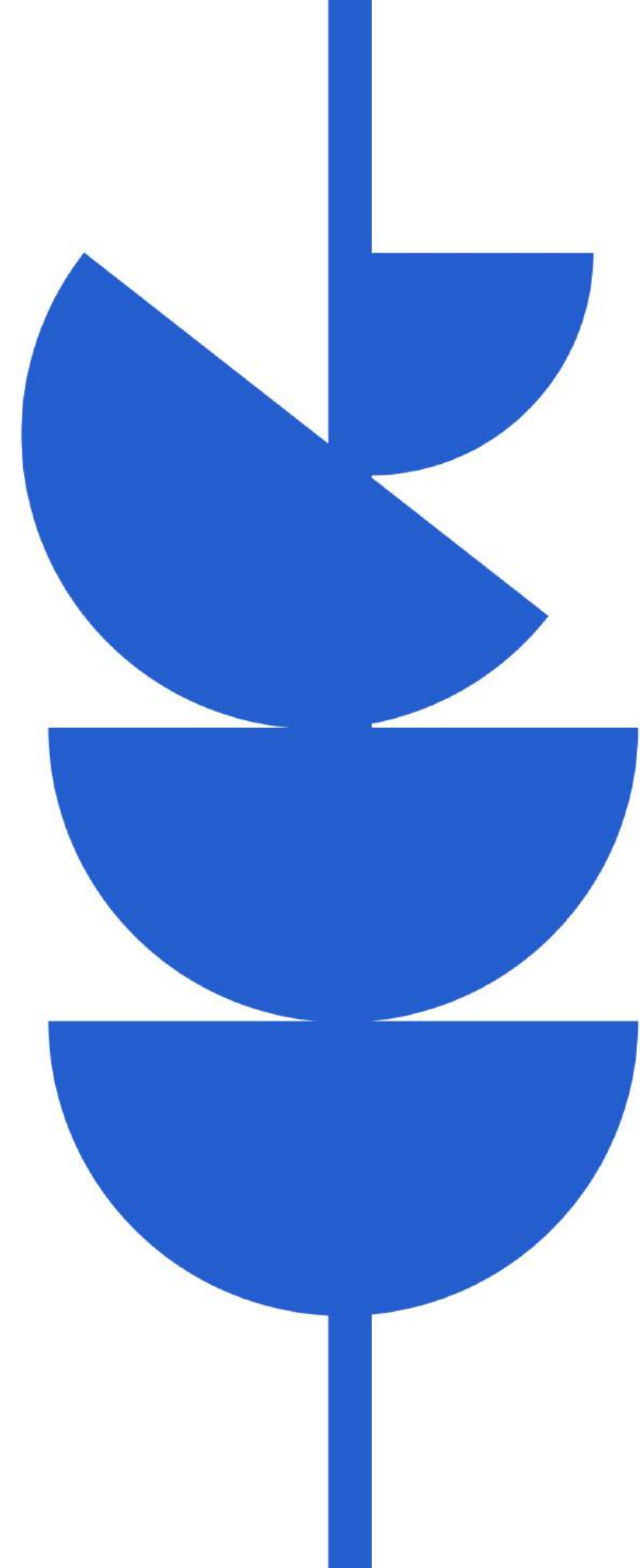
Established supply chain reliability from China also minimizes delays and disruptions, ensuring a consistent and timely flow of materials for uninterrupted manufacturing operations.



# 10. Marketing Strategies for Socks



To ensure WACHU's socks reach the target markets effectively, the following marketing strategies will be implemented:





# Brand Positioning:

Position WACHU as a reliable provider of durable, stylish, and affordable socks.

Develop a strong brand identity with clear messaging targeting schools, offices, and retail consumers.



## Partnerships with Schools and Offices:

Establish contracts with schools to supply uniform socks in bulk.

Partner with corporate organizations to provide branded office socks for employees.



# Retail and Distribution Channels:

Collaborate with local retailers and wholesalers to ensure products are widely available in urban and rural markets.

Set up an online sales platform to target urban consumers and export markets.

# Advertising and Promotion:



Utilize social media platforms to showcase product variety and quality through engaging campaigns.

Advertise through local radio, TV stations, and print media to reach diverse demographics.

Organize promotional events, such as trade shows and exhibitions, to demonstrate product quality.

# Export Strategy:

Leverage Kigamboni's proximity to the port for efficient exports to neighboring countries.

Target regional distributors and establish long-term relationships to penetrate foreign markets.

Specific strategies include offering competitive pricing to appeal to cost-sensitive distributors, ensuring consistent quality to build trust, and providing co-marketing support, such as shared promotional materials and advertising initiatives, to enhance distributor sales efforts.

Additionally, WACHU will implement flexible payment terms and volume-based discounts to incentivize larger orders and loyalty.



# Customer Engagement:

Implement a loyalty program for retailers and wholesalers to incentivize bulk purchases.

Collect feedback from schools, offices, and consumers to improve product designs and quality.



# Corporate Social Responsibility (CSR):

Support local communities by providing socks for underprivileged school children.

Promote environmental sustainability by adopting eco-friendly packaging materials.

# 11. Financial Projections

Year	Production (Containers)	Sales (USD)	Costs (USD)	Gross Profit (USD)	Operating Costs (USD)	EBIT (USD)	Taxes (30%) (USD)	Earnings Before Dividends (USD)
1	100	1,320,000	700,000	620,000	250,000	370,000	111,000	259,000
2	100	1,320,000	735,000	585,000	257,500	327,500	98,250	229,250
3	110	1,452,000	770,000	682,000	265,000	417,000	125,100	291,900
4	120	1,584,000	805,000	779,000	272,500	506,500	151,950	354,550
5	130	1,716,000	840,000	876,000	280,000	596,000	178,800	417,200

# 12. Conclusion

WACHU Tanzania is poised to meet the growing demand for high-quality socks and garments in East Africa, leveraging its strategic location, skilled workforce, and sound financial planning. With strong market potential and sustainable operations, WACHU is set to achieve significant growth and establish itself as a key player in the regional garment industry.