

**SHI LI HE (TANZANIA) AUTOMOBILE COMPANY
LIMITED**

***Transportation Services, Car Services and
provision of warehouse services for cars
and trucks***

BUSINESS PLAN

INVESTMENT OBJECTIVE

COMPANY OVERVIEW

SHI LI HE (TANZANIA) Automobile Company Limited, was established by Cheng Zhongxian and Zhang Jintao, Chinese nationals with extensive experience in Transportation, Car Services, Truck Services and bonded warehouse. The Founders identified a significant opportunity in Tanzania's particularly in Truck Services, Transportation and Bonded warehouse for cars and trucks.

SHI LI HE (TANZANIA) Automobile Company Limited is dedicated to supporting Tanzania's Transportation services. The company's focus on innovative manufacturing processes and quality assurance ensures the delivery of superior products to its customers.

OUR MISSION

Mission Statement: To become the leading provider of Transportation Services, Car Services and provision of warehouse services for cars and trucks.

OBJECTIVES:

- Establish a state-of-the-art of the said services within 12 months.
- Achieve a capacity 80% of its services within the first year.
- Capture a 10% market share within the first two years through strategic marketing and quality assurance.
- Establish a bonded warehouse capable of accommodating 500 vehicles and trucks within the first year.
- Provide comprehensive truck maintenance services including repairs, diagnostics, and spare parts.
- Operate a fleet of 50 trucks, 50 Tractor and 50 Flats for regional and cross-border transportation within East Africa.
- Contribute to Tanzania's industrialization goals by facilitating trade and supply chain efficiency.
- Generate direct and indirect employment opportunities for at least 150 Tanzanians.

CORE VALUES:

- **Quality:** Commitment that meet the highest industry standards.
- **Innovation:** Continuous improvement and adoption of advanced technologies to enhance production efficiency and product effectiveness.

- **Sustainability:** Focus on environmentally friendly practices and sustainable sourcing of raw materials.
- **Customer-Centricity:** Building strong relationships with customers by understanding and meeting their needs through excellent service and support

ORGANIZATION STRUCTURE

Management Team: SHI LI HE (TANZANIA) Automobile Company Limited is led by a dedicated and experienced management team:

- **Chen Zhongxian:** Co-founder and CEO, responsible for overall strategic direction and operations.
- **Zhang Jintao:** Co-founder and COO, overseeing production processes, quality control, and operational efficiency.
- **Production Manager:** Manages day-to-day manufacturing operations, ensuring product quality and compliance with industry standards.
- **Marketing Manager:** Develops and implements marketing strategies to promote products and expand market reach.
- **Finance Manager:** Handles financial planning, budgeting, and reporting to ensure fiscal responsibility and growth.

With a clear vision, robust business model, and committed leadership, **SHI LI HE (TANZANIA) Automobile Company Limited** is poised to become a major player in Tanzania's transportation services by contributing to the growth and sustainability of the agricultural sector.

Legal Entity: SHI LI HE (TANZANIA) Automobile Company Limited is registered as a limited liability company in Tanzania. This legal structure ensures that the company can operate effectively within the regulatory framework of Tanzania while providing legal protection and credibility to its operations

CORE COMMITMENTS:

Quality Assurance: Ensuring all products meet the highest standards of quality and safety through rigorous testing and quality control processes.

Sustainability: Adopting environmentally friendly practices and sustainable sourcing of raw materials to minimize the environmental impact and promote long-term ecological balance.

Innovation: Continuously investing in research and development to improve product formulations and manufacturing processes.

Customer Satisfaction: Building strong relationships with customers by understanding their needs, providing excellent service, and delivering products that exceed their expectations.

Community Engagement: Contributing to the local community through job creation, local sourcing, and participation in community development projects.

The business is owned by two shareholders who are **Chen Zhongxian and Zhang Jintao** the authorized share capital is **Tanzanian Shilings One billion only (TShs.1,000,000,000)** divided into **1,000 Ordinary shares** of **Tanzania Shilings 10,000** each. The following table show shareholders distribution:-

Shareholders	No. of share	Citizenship
1. Chen Zhongxian	700	Chinese
2. Zhang Jintao	300	Chinese

Vision Statement: To be the leading provider of high-quality transportation services in the United republic of Tanzania.

Mission Statement: Our mission at **SHI LI HE (TANZANIA) Automobile Company Limited** is to provide produce and the highest transportation services. We are committed to enhancing the productivity and well-being of livestock, supporting our customers with exceptional service, and promoting sustainable agricultural practices. Through innovation, customer focus, and community engagement, we strive to contribute significantly to the growth and prosperity of Tanzania's transportation services.

MARKET ANALYSIS

Industry Overview

- Tanzania is strategically located as a gateway to landlocked countries such as Uganda, Rwanda, Burundi, Zambia, and Malawi, making logistics a critical industry.
- The demand for bonded warehouses is growing due to increased imports, exports, and transit trade.
- Transportation and logistics contribute significantly to Tanzania's GDP, with annual growth in demand for road transport services.

TARGET MARKET

- **Importers and Exporters:** Businesses importing or exporting vehicles and goods.
- **Logistics Companies:** Partners needing storage or transportation services.
- **Regional Traders:** Companies involved in cross-border trade.
- **Local SMEs:** Businesses requiring transportation and storage solutions.

COMPETITIVE ANALYSIS

Key competitors include existing transportation companies, bonded warehouses, and maintenance service providers. The business will differentiate through:

- A strategic location near Dar es Salaam Port.
- Superior service quality.
- Competitive pricing and bundled services.

4. SERVICES OFFERED

Bonded Warehouse Services:

- Secure storage for cars and trucks awaiting customs clearance.
- Value-added services such as pre-delivery inspections.

Transportation Services:

- Cross-border transportation of goods and vehicles.
- Customizable logistics solutions for clients.

Truck Maintenance and Repair:

- Routine maintenance services.
- Advanced diagnostics and repair.
- Genuine spare parts supply.

OPERATIONAL PLAN

LOCATION AND FACILITIES

- The bonded warehouse will be located near the Dar es Salaam Port, ensuring proximity to customs offices and major transport routes.
- A service center for truck maintenance will be established within the warehouse premises.

EQUIPMENT AND TECHNOLOGY

- Advanced vehicle diagnostic tools and repair equipment.
- GPS tracking for transportation fleet.
- Warehouse management software for efficient inventory tracking.

STAFFING PLAN

- **Management Team:** 5 key professionals experienced in logistics and supply chain management.
- **Operational Staff:** 50 warehouse personnel, 30 truck drivers, 40 mechanics, and 25 support staff.

FINANCIAL PLAN

CAPITAL REQUIREMENTS

- **Initial Investment:** USD 2 million
- Bonded warehouse construction: USD 500,000
- Fleet acquisition (50 trucks): USD 500,000
- Equipment and tools: USD 500,000.
- Working capital: USD 500,000.

PROJECTED REVENUE (YEAR 1-5)

- Year 1: USD 1 Million.
- Year 2: USD 2.5 Million.
- Year 3: USD 3 million.
- Year 4: USD 4 million.
- Year 5: USD 6 million.

PROFITABILITY

- Expected profit margin: 20% by the third year of operation.

FUNDING SOURCES

- Owner's equity: 40%.
- Loan and investor funding: 60%.
- Application for TIC incentives to reduce operational costs and taxes.

JUSTIFICATION FOR CERTIFICATE OF INCENTIVES

- **Economic Impact:** The project aligns with Tanzania's Development Vision 2025, promoting industrialization and regional trade.
- **Job Creation:** Employing over 150 people, directly and indirectly contributing to Tanzania's workforce development.
- **Revenue Contribution:** Increasing government revenue through taxes and levies.
- **Infrastructure Development:** Enhancing Tanzania's logistics infrastructure.
- **Technology Transfer:** Introducing modern warehousing and vehicle maintenance technologies.

RISK ANALYSIS

KEY RISKS

- Market competition.
- Regulatory changes.
- Operational challenges, such as delays in customs clearance.

MITIGATION STRATEGIES

- Strong relationships with stakeholders, including customs authorities.
- Diversification of services to reduce dependence on one revenue stream.
- Investment in staff training and technology.

IMPLEMENTATION PLAN

Phase 1 (0-6 months):

- Secure funding and TIC incentives.
- Acquire land and begin construction of the warehouse.
- Procure fleet and equipment.

Phase 2 (6-12 months):

- Complete construction.
- Begin recruitment and staff training.
- Launch marketing and customer outreach campaigns.

Phase 3 (Year 1-2):

- Achieve operational stability.
- Expand client base.
- Evaluate performance and identify areas for growth

Investment Costs, Expenditure breakdown and sources of finances

Expenditure breakdown

Description	TOTAL in EUR (up to)
1. Staff (Job Title) <i>(Note: This budget line will be settled against payslips and, if partially financed, against payslips and time sheets.)</i>	14.226,00
Factory Manager (COO)	1.530,00
Machine Technician	3.060,00
Factory Operators (10 women)	9.636,00
2. External Experts / Consultant (Job Title)	1.000,00
Consultant (Tanzanian) /documentation Support, local standards & follow up (15 days)	1.000,00
3. Transportation / Travel Costs	5.700,00
Logistic and Transport of Machine and Materials (total project period)	2.700,00

Air Ticket, Accommodation and Per diem for Government Liaison Meetings Trips to Dodoma: One Company executive staff to travel for government liaison and awareness raising	1.500,00
Air Ticket for Regional Government Liaison Meetings Trips to Mwanza, Arusha & Moshi, Mbeya & Iringa, Kigoma- for government liaison and awareness raising	1.500,00
4. Training costs	5.000,00
Coordination meetings with Regional Health Authorities, logistic (room, transport), moderation, production of information materials	5.000,00
5. Procurement of Goods	160.000,00
Surgical Mask Machine (MPL-100) (including installation and capacity building)**	160.000,00
6. Other costs / Consumables	69.204,00
Material costs 2 months worth (2 non-woven mask layers, 1 melt blown mask layer, ear loop and nose clip materials, mask packaging)	55.200,00
Personal Protective Equipment for Workers	14.004,00
Subtotal - direct costs	
7. Supporting cost / Administration costs	25.513,00
Administration costs	25.513,00
Subtotal - Funding by GIZ (direct costs + Administration Costs + Forwarding of Funds)	
8. Own funds / third party financing	142.000,00
Grand Total *	422.643,00

Important Assumptions

The table below shows the assumptions that are important to the success of **SHI LI HE (TANZANIA) Automobile Company Limited**

Month	Dec	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Capacity	60%	60%	60%	65%	65%	65%	65%	65%	65%	65%	65%	65%	70%
Revenue growth		0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%	5%
Direct Cost growth		0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%	5%