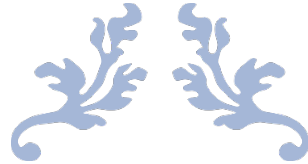


# AVJ WATER TREATMENT LIMITED



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## BUSINESS PLAN

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Plot Number -07, Block "EE",

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# 1. BUSINESS OVERVIEW

AVJ WATER TREATMENT LIMITED is a registered Tanzanian business specializing in the **manufacturing, processing, and distribution of purified bottled drinking water**. The company aims to deliver high-quality, hygienically packaged drinking water that meets national and international health and safety standards.

The company produces a variety of bottle sizes to cater to diverse customer needs, including 250 ml, 600 mL, 1.6 L, 7 L, 10L, 14 L, 16 L, and **reusable 20L jars**. Our operations are built around a vertically integrated model, where bottle production, water purification, and product packaging all occur on-site using modern technology and certified processes.

AVJ Water is strategically positioned to supply its products through both **wholesale and retail channels**, ensuring wide reach across households, businesses, institutions, and public service providers. The business's core strength lies in its ability to meet fluctuating market demands through scalable operations, reliable logistics, and customer-responsive packaging solutions.

With a commitment to sustainability, AVJ Water also offers bottle collection and reuse for large-capacity jars, reducing plastic waste and promoting eco-friendly practices.

# 2. OBJECTIVES

AVJ Water Treatment Limited is established with the following core objectives:

1. **To establish a reputable brand** in the purified bottled water industry, known for quality, safety, and reliability.
2. **To manufacture and supply a wide range of bottled water sizes**, from 200ml to reusable 20L jars, to meet the diverse needs of customers across Tanzania.
3. **To implement a comprehensive water purification system** that ensures all bottled water meets or exceeds the Tanzania Bureau of Standards (TBS) and World Health Organization (WHO) guidelines for drinking water.
4. **To build an efficient distribution network** targeting both wholesale and retail markets across urban and rural areas.
5. **To achieve operational sustainability**, with initiatives such as reusable packaging and environmentally friendly practices.
6. **To generate consistent profits**, reinvest in growth, and expand to new regional markets within five years.
7. **To create employment opportunities** and contribute to community development through responsible business practices.

# 3. PRODUCTS AND SERVICES

AVJ WATER TREATMENT LIMITED offers a comprehensive range of products and services centered around the manufacturing, processing, packaging, and distribution of **purified bottled drinking water**. Our offerings are designed to serve both consumer and institutional markets, ensuring access to clean, safe drinking water for all.

### 3.1. Products and Services

AVJ WATER TREATMENT LIMITED will engage in the **manufacturing, processing, and distribution of purified bottled drinking water** of various sizes to meet the needs of its diverse customer base.

#### 3.1.1. Product Offerings

The company will produce purified bottled water in the following sizes:

1. 250 ml
2. 1.6 liters
3. 10 liters
4. 16 liters
5. 20 liters - Reusable
6. 600 ml
7. 7 liters
8. 14 liters

These bottle sizes are designed to serve a wide spectrum of customers, including individuals, families, offices, and institutions. The 18.9L and 20L reusable jars are particularly suited for office dispensers and bulk consumption environments.

The water will be treated using **Reverse Osmosis (RO)** and **UV technology** to ensure it is safe, pure, and hygienic for consumption. All production and packaging processes will adhere to standards prescribed by the **Tanzania Bureau of Standards (TBS)** and other relevant health and regulatory bodies.

#### 3.1.2. Distribution

AVJ WATER TREATMENT LIMITED will distribute its bottled water through the following channels:

- **Wholesalers:** Bulk distribution to dealers and distributors for wider market reach.
- **Retailers:** Direct sales to local shops, supermarkets, and other small-scale resellers.

Distribution will be handled by the company using its own transport logistics to ensure timely delivery and maintain product integrity.

## 4. MARKET ANALYSIS

The demand for purified bottled drinking water in Tanzania is steadily increasing due to a combination of factors such as **rapid urbanization, population growth, awareness of waterborne diseases,** and the **limited access to safe drinking water** in many areas.

### 4.1. Industry Overview

In both urban and semi-urban areas, consumers increasingly rely on bottled water as a trusted source of clean and safe drinking water. Government and non-governmental efforts to improve public health have helped raise awareness about the importance of consuming purified water. However, the market is still

underserved, especially in growing towns and developing districts, where access to reliable bottled water remains limited.

## 4.2. Target Market

AVJ WATER TREATMENT LIMITED's products are designed to meet the daily hydration needs of:

- **Households** – for drinking, cooking, and other household uses.
- **Retailers** – small shops, supermarkets, and convenience stores.
- **Wholesalers** – bulk resellers operating in both rural and urban markets.
- **Institutions** – schools, colleges, hospitals, offices, and other organizations that require bottled water in bulk for daily consumption.
- **Walk-in consumers** – individuals purchasing directly from the factory or delivery agents.

This broad target market allows the business to maintain consistent demand across different consumption patterns.

## 4.3. Competitive Landscape

While several established brands are already present in the Tanzanian market, including Kilimanjaro, Uhai, Safari, and Masafi, there is still **room for new entrants**, particularly those that can offer:

- **Affordable pricing**
- **Reliable and safe water quality**
- **Flexible packaging sizes**
- **Timely and consistent distribution**

AVJ WATER TREATMENT LIMITED plans to compete by focusing on product quality, price competitiveness, and customer satisfaction through reliable distribution.

## 5. MARKET OPPORTUNITY

There is a substantial opportunity to capture market share in under-served regions where:

- Existing brands have low penetration,
- Water sources are unreliable or unsafe, and
- Consumers are looking for affordable and accessible bottled water options.

### 5.1. Marketing and Sales Strategy

AVJ WATER TREATMENT LIMITED's marketing and sales approach focuses on creating visibility, building trust in the brand, and ensuring availability of the product in both urban and semi-urban markets.

### 5.2. Brand Positioning

The company will position itself as a **reliable and affordable source of safe drinking water**, offering multiple packaging sizes to suit various consumer needs—from individual consumption to bulk use in homes, institutions, and offices.

AVJ Water will emphasize the **purity, quality, and safety** of its bottled water, highlighting its compliance with TBS standards and the use of modern purification technologies such as **Reverse Osmosis and UV treatment**.

### 5.3. Marketing Channels

Marketing efforts will include:

- **Branding and Labeling:** Attractive, informative, and standardized product labels to enhance visibility and trust.
- **Outdoor Signage:** Placement of branded signs at retail shops and distribution outlets.
- **Word of Mouth:** Encouraging customer referrals by ensuring consistent product quality and customer service.
- **Sampling:** Free product samples during initial entry into new markets or distribution zones to introduce the product.
- **Community Engagement:** Presence at local events, social functions, and markets to promote the product and interact with potential consumers.

### 5.4. Sales Strategy

The sales approach will be built on two major pillars:

#### a. Wholesale Distribution

- Supplying large volumes to dealers and resellers who will further distribute the product.
- Establishing strategic partnerships with bulk buyers across regions.
- Discount-based incentives for high-volume purchasers.

#### b. Retail Sales

- Direct supply to local retail shops, supermarkets, and kiosks.
- Creation of sales routes and deployment of sales personnel to reach small vendors regularly.
- Ensuring stock availability through reliable delivery schedules.

The company also plans to maintain a customer feedback system to continuously improve product satisfaction and distribution efficiency.

## 6. OPERATIONAL PLAN

AVJ WATER TREATMENT LIMITED's operational plan outlines the step-by-step process, resources, and systems required to ensure the efficient production and distribution of purified bottled drinking water. The plant is located at **Plot Number 07, Block "EE", Area Six, Kichangani, Morogoro**, a location chosen for its accessibility to clean water sources and logistical convenience.

### 6.1. Production Capacity

- The plant is equipped to produce approximately **25,550,000 liters per year**, with installed systems supporting scalable growth.

- Bottled water is processed and packaged into different sizes: 250 ml, 600 mL, 1.6 L, 7 L, 10L, 14 L, 16 L, and **20L j.** (reusable jars).

## 6.2. Key Equipment and Infrastructure

The factory is outfitted with modern water treatment and bottling machinery as detailed in the valuation report

Category	Equipment
Purification & Treatment	Reverse Osmosis (RO) Plant, UV System, Ozonator, Filtration System
Bottle Production	PET Blow Moulding Machine, PET Stretch Blow Heating Unit
Filling & Capping	Large and Small Automatic RFC Machines
Utilities & Controls	Air Compressors (20HP & 5HP), Cooling Tower, Air Dryer, Stabilizers
Labeling & Coding	Inkjet Batch Coding Machine
Storage & Transport	Trolleys, Raw Water Underground Tank (20,000L capacity)
Upcoming	Waste Water Treatment Unit, Glass Bottle RFC Machine, Distribution Truck

## 6.3. Production Process Overview

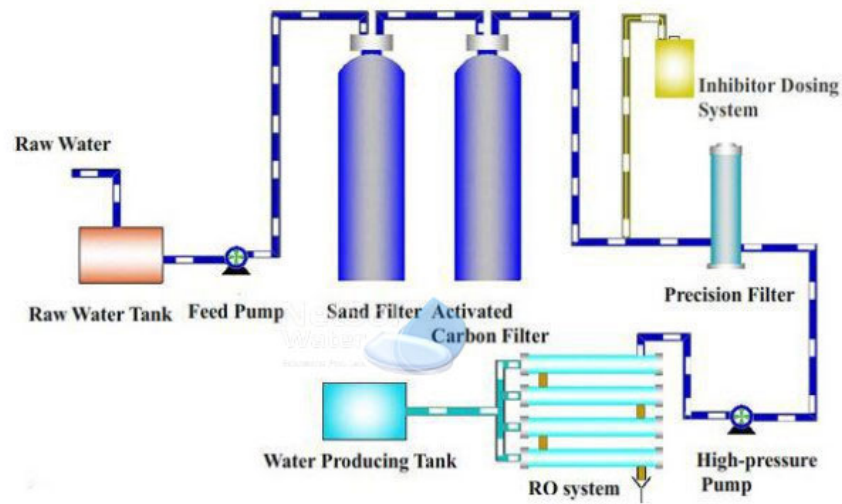
This section outlines the systematic stages involved in the **manufacturing, processing, and packaging of purified bottled drinking water** at AVJ WATER TREATMENT LIMITED. It is based on the company's current installed machinery and anticipated equipment upgrades.

### Step 1: Raw Water Collection and Storage

- **Water Source:** Raw water is collected from a reliable borehole or municipal supply.
- **Storage Facility:** A **20,000-liter reinforced concrete underground tank** stores raw water before treatment.
- **Pre-Treatment:** The tank is equipped with a **1.5kW pump** and **sand filtration system** with a maximum flow rate of 5m<sup>3</sup>/hr, which filters coarse particles and sediments prior to purification.

### Step 2: Water Purification

- The stored water is transferred to the **Reverse Osmosis (RO) plant**, which forms the core of the purification process.
- The RO system includes:
  - **Sand and carbon filters** (for sediment and chlorine removal)
  - **RO membranes** (for dissolved solids removal)
  - **UV sterilization** (eliminates microbial contamination)
  - **Ozonator and polishing filters** (for taste and disinfection)



*flow digram of reverse osmosis system*

This multi-stage purification ensures the water meets Tanzania Bureau of Standards (TBS) and World Health Organization (WHO) quality benchmarks.



Reverse Osmosis Plant

### Step 3: Bottle Manufacturing (PET Bottles Only)

- **Preforms** are loaded into a **PET Stretch Blow Forming Heating Unit**, which softens the plastic using 16 dedicated heating zones.



PET Stretch Blow Forming Machine

- The heated preforms are fed into the **PET Blow Moulding Machine**, where they are shaped into bottles using high-pressure compressed air.



PET Blow Moulding Machine

#### Air Management System:

- **20HP and 5HP air compressors** provide consistent air pressure.
- **Air Dryer** ensures moisture-free air to maintain bottle integrity and prevent contamination.

#### Step 4: Rinsing, Filling, and Capping

The purified water is fed to either of the two rinsing-filling-capping (RFC) lines:

- **Large RFC Line** – Handles 12L and 20L bottles  
Capacity: 200 bottles/hour (12L), 100 bottles/hour (20L)
- **Small RFC Line** – Handles 600ml to 1.2L bottles  
Capacity: 1000 bottles/hour

Each RFC line includes:

- Automatic rinsing system
- Pressurized filling heads
- Capping system with torque control



Bottle Rinsing Capping Machine

#### Step 5: Batch Coding and Labeling

- After sealing, bottles pass through a **Willet 630 inkjet coding machine**.
- Each bottle is printed with:
  - Production date
  - Expiry date
  - Batch number
- This step ensures product traceability and regulatory compliance.



Ink Jet Coding Machine

#### Step 6: Shrink Wrapping and Packaging

- Bottles are grouped based on their size and destination (e.g., 6-packs, 12-packs).
- Groups are wrapped using a **shrink wrapping machine** with a **shrink tunnel** that applies heat to create a tight seal.
- An integrated conveyor system assists with infeed, inspection, and outfeed.

#### Step 7: Cooling and Thermal Regulation

- All heat-generating equipment, especially the PET blowing systems, is cooled using an **industrial water cooling tower** with 4 fans and 2 motors.
- This prevents machine overheating and ensures consistent product quality.



Cooling Tower

## Step 8: Wastewater Management

- A **Waste Water Treatment Unit** will be installed to process rinse water and other plant discharge.
- The system will neutralize, filter, and clean the wastewater to meet environmental discharge regulations.

## Step 9: Finished Goods Storage and Distribution

- Packed water bottles are stored in a clean, temperature-stable warehouse.
- Distribution is managed internally, and a **company truck** will be used to enhance delivery capabilities to wholesalers and retailers.

This structured and technology-integrated production process enables AVJ WATER TREATMENT LIMITED to meet growing market demand with high-quality, safely packaged drinking water—across various packaging formats and for multiple market segments.

### 6.4. Workforce

As per current operations:

- a) **Tanzanian Male Employees: 5**
- b) **Tanzanian Female Employees: 1**
- c) **Foreign Staff: None (except for the Director)**

The lean team is supported by automation and scalable operations.

### 6.5. Compliance & Quality Control

- a) The plant complies with national regulations set by the **Tanzania Bureau of Standards (TBS)**.
- b) Water quality is maintained through regular testing and machine calibration.
- c) Safety standards for packaging, labeling, and hygiene are integrated into the daily workflow.

### 6.6. Logistics & Distribution

Distribution is handled internally and will be expanded with the acquisition of a **delivery truck from Japan**.

Products are dispatched to:

- a) Wholesalers
- b) Retailers
- c) Institutional clients

The logistics strategy is designed to ensure timely delivery while preserving product integrity.

## 7. FINANCIAL PROJECTIONS

### 7.1. Capital Requirement

The total initial capital investment required for setting up the bottled purified water business is **TZS 270 million**. This capital will be allocated as follows:

Item	Estimated Cost	Description
Machinery & Equipment	150,000,000	Includes water purification system, bottling machines, labeling, and packaging equipment
Vehicle	40,000,000	Delivery vehicle for distribution and supply logistics
Branding & Marketing	20,000,000	Logo design, packaging design, initial marketing campaigns, and promotional materials
Working Capital	60,000,000	Operating expenses such as salaries, utilities, raw materials (bottles, caps), and maintenance for first 3–6 months

**Total Capital Requirement: 270,000,000 TZS**

### 7.2. Revenue Projections

The revenue projections are based on the planned production capacity and estimated sales volumes for the primary 500 ml bottled water product.

- **Production Capacity:** 600 bottles per hour
- **Working Hours:** 8 hours per day
- **Production Days:** 25 days per month
- **Price per 500ml Bottle:** TZS 1,000 (retail price estimate)

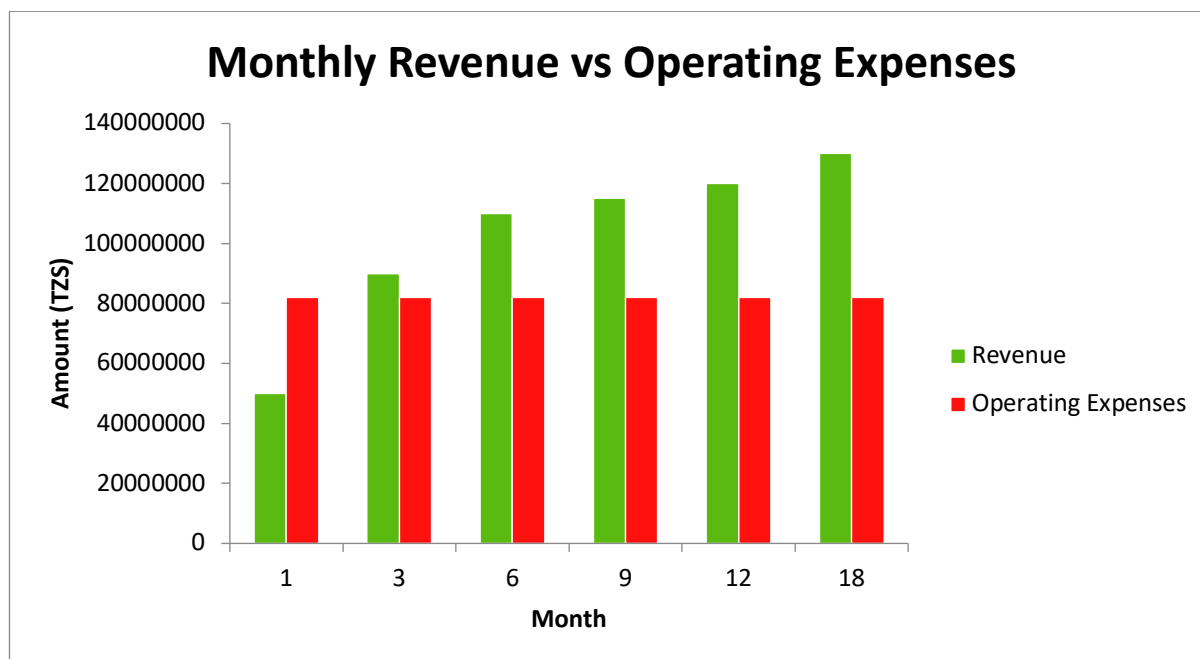
Parameter	Value
Bottles per hour	600
Hours per day	8
Bottles per day	4,800 (600 × 8)
Production days/month	25
Bottles per month	120,000 (4,800 × 25)
Selling price/bottle	1,000 TZS

### 7.3. Cost of Goods Sold (COGS) and Operating Expenses

Estimate the monthly variable and fixed costs involved in producing and selling the bottled water:

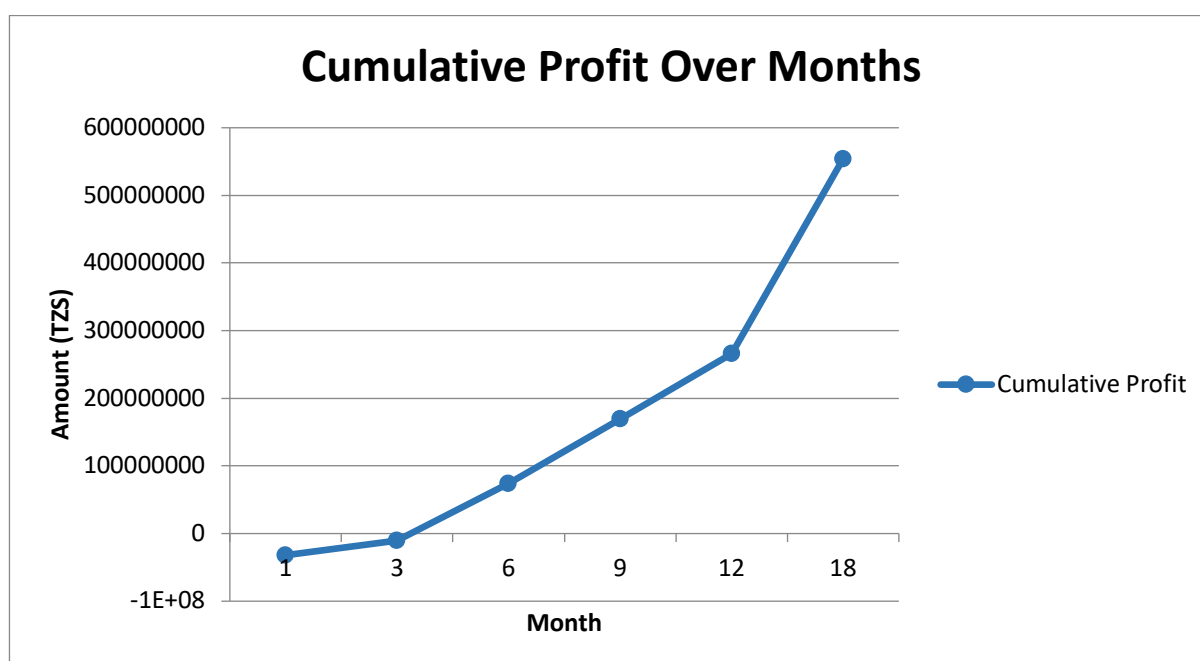
Cost Component	Monthly Cost	Notes
Raw materials	40,000,000	Bottles, caps, labels, water treatment chemicals
Salaries & wages	25,000,000	Operations Manager, Sales, Driver, Loaders, Technicians
Utilities (water, power)	7,000,000	Electricity, water usage
Vehicle maintenance	3,000,000	Fuel, servicing
Marketing & distribution	5,000,000	Advertising, delivery logistics
Miscellaneous	2,000,000	Repairs, office expenses

**Total Monthly Operating Expenses: 82,000,000 TZS**



### 7.4. Profitability Projection in (TZS)

Month	Revenue	Operating Expenses	Gross Profit	Cumulative Profit
1	50,000,000	82,000,000	-32,000,000	-32,000,000
3	90,000,000	82,000,000	8,000,000	-10,000,000
6	110,000,000	82,000,000	28,000,000	74,000,000
9	115,000,000	82,000,000	33,000,000	169,000,000
12	120,000,000	82,000,000	38,000,000	266,000,000
18	130,000,000	82,000,000	48,000,000	554,000,000



#### Assumptions:

- Initial months may experience lower production/sales due to market penetration phase.
- Gradual increase in monthly revenue as brand gains traction.
- Operating expenses are considered relatively fixed but may increase with scale.
- Break-even point projected between months 12 and 18, where cumulative profit turns positive.

## 8. ORGANIZATIONAL STRUCTURE AND STAFF ROLES

AVJ Water Treatment Limited operates a sophisticated water purification and bottling facility with advanced plant and machinery. To maintain operational efficiency, ensure product quality, and support business growth, the company employs a skilled and well-organized team.

### Staff Roles and Responsibilities

Position	Key Responsibilities
<b>Founder / Managing Director</b>	Provides overall leadership, strategic vision, and financial oversight. Ensures compliance with regulatory standards and secures financing.
<b>Operations Manager</b>	Oversees daily plant operations, production scheduling, machinery maintenance coordination, and quality control. Manages staff performance and workflow efficiency.
<b>Production Supervisors</b>	Supervise specific production lines, ensuring machinery is operated safely and efficiently. Monitor output quality and resolve operational issues.
<b>Technicians / Maintenance Team</b>	Perform routine and preventive maintenance on all machinery including PET blow molding, filling, capping, and reverse osmosis units to minimize downtime. Troubleshoot equipment faults promptly.
<b>Quality Control Officers</b>	Conduct tests on raw water and finished products to ensure compliance with health and safety standards. Maintain documentation for regulatory inspections.
<b>Sales and Marketing Executive</b>	Develop and execute sales strategies, manage client relations, and oversee distribution logistics. Facilitate market expansion initiatives.
<b>Logistics and Delivery Staff</b>	Handle warehouse operations, loading/unloading of bottled products, and ensure timely deliveries to customers. Maintain vehicle upkeep and delivery schedules.
<b>Administrative and Finance Officer</b>	Manage office administration, bookkeeping, payroll, procurement, and assist in budget monitoring. Coordinate with external auditors and banks.

## 9. RISK FACTORS

	Risk	Description	Mitigation Strategy
1.	<b>Water Source Contamination</b>	Potential contamination of raw water impacting product safety and brand reputation.	Regular water quality testing, sourcing from certified suppliers, and installing advanced filtration systems.
2.	<b>Market Competition</b>	Presence of other bottled water brands and substitutes could limit market share growth.	Differentiation through quality, pricing strategy, strong branding, and diversified product sizes.
3.	<b>Mechanical Breakdowns</b>	Downtime caused by equipment failure could disrupt production and delivery schedules.	Preventive maintenance schedule, quick access to spare parts, and trained technicians on-site.
4.	<b>Compliance with TBS &amp; FDA Regulations</b>	Failure to meet Tanzania Bureau of Standards (TBS) and Food and Drug Authority (FDA) requirements could result in penalties or suspension.	Strict adherence to regulatory guidelines, regular audits, and employee training on compliance procedures.

## 10. CONCLUSION

This business plan is comprehensive and fully aligned with the company’s vision and operational goals. It reflects a clear understanding of the market, production capabilities, and risk environment. Key highlights include:

- a) **Multiple Bottle Sizes:** Offering various bottle sizes (e.g., 500ml, 1L, 20L jars) caters to different customer segments — from individual consumers to institutions and offices — thus broadening market reach and revenue potential.
- b) **Reusable 20L Jars:** Incorporating reusable large water jars supports sustainability efforts, reduces plastic waste, and appeals to environmentally conscious consumers. It also reduces packaging costs over time.
- c) **Wholesale and Retail Sales Model:** By serving both wholesale clients (businesses, retailers) and direct retail consumers, the company ensures diversified income streams and scalability. This dual approach strengthens market presence and cash flow stability.
- d) **Distribution Included:** Efficient distribution is built into the business plan to guarantee timely delivery and maintain product quality. Control over the distribution network enhances customer satisfaction and brand loyalty.

Together, these elements position the company for sustainable growth and profitability in a competitive market. Proactive management of identified risks further supports resilience and long-term success.