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DODOMA STEEL LIMITED BUSINESS PLAN

Section 1

Business Overview

Legal name: DODOMA STEEL LIMITED

Trading name: DODOMA STEEL LIMITED

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Executive Summary

Dodoma steel limited, located at Dodoma Urban, Tanzania is a leading steel manufacturing company dedicated to producing high quality steel products for the infrastructural and industrial sectors. By leveraging advanced steel technology, the company aims to meet the growing demand for durable and efficient steel materials in Tanzania and neighboring markets.

Dodoma steel limited primarily serves construction firms, manufacturers, and distributors, positioning itself as a key contributor to the region's sustainable industrial growth through reliable steel solutions.

Mission

To provide superior steel products that support Tanzania's infrastructure development and industrialization by integrating modern technology, ensuring durability and promoting sustainable growth across the region.

Business Models

Dodoma steel limited can explore various business models to optimize its operations and market reach. Each model presents unique opportunities and challenges that can influence profitability, scalability and long term sustainability. Below are six potential business models suitable for Dodoma Steel Limited, ranging from convectional manufacturing to more innovative approaches.

Manufacture and Direct Sales

This is the traditional model where Dodoma Steel Limited manufactures steel products and sells them directly to constructions firms, manufactures and distributors. This model emphasizes control over production quality and direct customer relationships.

Advantages	Disadvantages
Direct control over product quality and production processes.	High capital investment in manufacturing facilities.
Establishment of strong customer relationships.	Significant operational complexities.
High profit margins by eliminating intermediaries.	Dependence on consistent demand from direct buyers.

SWORT ANALYSIS

NO	STRENGTHS	WEAKNESSES
1.	Utilization of advanced steel manufacturing technology ensuring high product quality and efficiency.	Limited branding recognition compared to established competitors in the steel industry.
2.	Strategic location in Dodoma Urban facilitate access to regional markets in Tanzania and neighboring countries.	Dependence on regional markets which may limit rapid expansion outside Tanzania initially.
3.	Strong focus on meeting the infrastructural and industrial needs of the region, creating a loyal customer base.	High initial capital investment and operational costs associated with advanced steel technology.
4.	Commitment to sustainable growth aligning with regional development goals.	Potential gaps in supply chain logistics impacting raw materials procurement and product delivery.
5.	Experienced management team with expertise in steel production and market dynamics.	Limited diversification in product

Viability Analysis

Dodoma Steel Limited demonstrates strong viability as a business due to several key factors.

Firstly, the steel industry in Tanzania and the broader East Africa region is experiencing increasing demand driven by rapid growth. Construction firms and manufactures require reliable, high quality steel products, which aligns with the company's target market.

Secondly, by leveraging advanced steel technology Dodoma Steel Limited can produce superior products that meet international standards, offering a competitive advantage over traditional steel manufacturers. The strategic location in Dodoma allows for effective distribution to both domestic and neighboring markets, enhancing market reach. Additionally, the company's focus on sustainable industrial growth resonates with current global and local trends towards environmentally responsible manufacturing. While the sector requires significant capital investment and faces challenges such as price volatility of raw materials, Dodoma Steel Limited's modern approach and alignment with market needs supports its long-term success.

For further insights, reports from the Tanzanian Ministry of Industry and trade and market analyses by organization such as the world steel association provide valuable context on the steel sector's growth potential in the region.

THE MARKET

Industry Overview

The steel industry in Tanzania is a vital sector that underpins the country's infrastructural development and industrial growth. With the increasing demand for durable building materials, steel manufacturing has become a crucial industry for supporting construction, manufacturing, and distribution markets both locally and in neighboring countries. The sector is characterized by rapid growth due to urbanization and expansion in construction activities.

Key Industry Drivers

- **Rising local demand & expanding infrastructure:** Central Tanzania—including Dodoma—is experiencing rapid growth in construction and public-sector projects driven by the relocation of the capital, spurring increased demand for structural steel and reinforcement bars. Government investment in roads, buildings, and public utilities drive demand for steel products.
- **Urbanization:** expansion of urban centers like Dodoma leads to heightened construction activities.
- **Industrial Growth:** growth in manufacturing industries fuels demand for specialized steel products.
- **Technological Advancements:** Adoption of modern steel production technologies enhances product quality and efficiency.
- **Steel ingot market growth:** The Tanzanian steel ingots market was valued at around USD 7.9 million in 2024 and is projected to grow at a 5.6% CAGR, reaching USD 11 million by 2030

- **Competitive Landscape & Production**

Local producers vs. import competition: While domestic production is growing, major players (like ArcelorMittal, Tata Steel, POSCO) and still some imports from Turkey, South Africa, Japan, and Belgium compete locally

- **Supply Chain & Logistics**

Strategic location: Sitting on trunk roads (T3 & T5), Dodoma is well-connected to Dar es Salaam's port and other regions, lowering transportation costs and facilitating distribution.

Raw material sourcing: Mainland Tanzania still relies on imported scrap metal, but efforts are underway to develop domestic iron ore sources, which may improve raw material security.

Demand Segments & End-Uses

Construction & infrastructure: Major public works in Dodoma require reinforcing steel and iron sheets. State-backed factories (e.g., Suma JKT's iron-sheet plant) are emerging to meet these needs

Industrial and regional trade: Beyond local demand, Dodoma-based producers also serve industrial clients and even export to East African neighbors.

Challenges & Opportunities

Challenges: Local steel faces hurdles like inconsistent power supply, road transport costs, quality control issues, and reliance on imported scrap

Opportunities:

- Ongoing government support (tax incentives, import restrictions, FDI) favors domestic industry growth
- Infrastructure investments trigger demand for mid-to-high-grade steel, including stainless and galvanized types

Market Trends and overview

- Awareness

Objective: Introduce Dodoma Steel Limited to potential customers

Tactics: advertising, social media, trade shows, public relations, content marketing.

- Interest

Objective: engage potential customers and highlight product benefits.

Tactics: emails, campaigns, product demos, case studies, blog posts, webinars.

- Consideration

Objective: provide detailed information to help customers evaluate offerings.

Tactics: brochures, comparison guides, testimonials, consultations, FAQs

- Intent

- Purchase

Objective: encourage customers to plan for purchase.

Tactics: promotions, free trials, quotes, follow up calls, personalized offers

- Target audience

50% Construction Firms

Companies involved in building and infrastructural development

30% Manufactures

Industries utilizing steel for production of goods.

20% Distributors and Retailers

Business that supply steel products to end users and smaller firms

Implications or Risk Factors

Doors to the World now relies more heavily on consumer purchases than sales to contractors, which has changed our marketing strategy. Doors to the World continues to rely on its basic strengths, which are:

- superior quality products;
- unique glass carvings and brass inlays.
- Excellent service;
- customized "made to order" fit; and
- access to distribution networks

Planned Response

Our marketing approach has shifted to address the mid to high-end customer with a concentration on large-surface retailers and export markets. We have increased retailers' distribution, new point-of-sale displays, promotional literature, and customer satisfaction surveys.

The emphasis will be on our products' quality over mass-manufactured goods, and our focus remains on the renovation market. Our price advantage positions us extremely favorably for exporting, and the absence of significant competitors in other provinces makes can facilitate expansion there.

THE COMPETITION

Competitors and type of Competition

1. Key Competitors

Dodoma Steel Limited operates in a growing but competitive steel market in Tanzania. Its main competitors based on supplies steel pipes and bars locally, production of roofing sheets, steel bars, and galvanized products and some are regional competitor with strong export and industrial presence. **Imported Steel Products** – from countries like China, India, Turkey, and South Africa, offering low-cost alternatives.

2. Type of Competition

The steel industry in Tanzania is characterized by:

Oligopolistic Competition: A few dominant firms control most of the market, but smaller companies like Dodoma Steel can still capture market share through local advantages, pricing, and service.

Price Competition: Customers, especially in construction, are highly sensitive to price. Dodoma Steel must balance affordability with quality.

Quality and Reliability: Clients often choose suppliers based on consistent product standards and timely delivery.

Regional Competition: Local players compete strongly in central Tanzania, while national firms target large infrastructure projects and government tenders.

3. Competitive Advantage for Dodoma Steel

Dodoma Steel's strategic location, lower transport costs within central Tanzania, and faster delivery to local projects give it an edge in regional markets. Building strong relationships with contractors and offering flexible pricing can help it stand out.

Target Market

Dodoma Steel Limited will focus on supplying high-quality steel products such as reinforcement bars, steel rods, and iron sheets to:

- a. Construction companies (residential, commercial, and infrastructure projects)
- b. Government infrastructure projects
- c. Hardware and building materials retailers
- d. Industrial clients (for fabrication and manufacturing)
- e. Export markets in neighboring East African countries

Sales Strategy

- a. **Direct Sales Force:** Deploy a trained sales team to engage with large contractors, government agencies, and wholesalers.
- b. **Distribution Partnerships:** Establish partnerships with regional hardware distributors and construction supply chains.
- c. **Project Bidding:** Participate in public and private tendering for infrastructure and building projects.
- d. **Export Channels:** Develop trade relationships in countries like Rwanda, Burundi, and DRC to sell surplus stock and expand market presence.

Marketing Strategy

- a. **Brand Positioning:** Promote Dodoma Steel as a reliable, Tanzanian-made solution for durable and affordable steel.
- b. **Digital Marketing:** Use social media (Facebook, LinkedIn), a professional website, and WhatsApp Business to reach construction professionals and hardware stores.
- c. **Trade Shows & Exhibitions:** Attend national and regional construction expos to showcase products and connect with industry buyers.
- d. **Local Advertising:** Use billboards, radio spots, and branded trucks across Dodoma and surrounding regions.

Advertising, Promotion & Customer Retention

- a. Offer bulk discounts, loyalty pricing for repeat buyers, and early-payment incentives.
- b. Launch seasonal campaigns (e.g., “Build with Strength” discounts during high construction months).
- c. Maintain post-sales service and delivery reliability to retain key accounts.

Advertising, Promotion & Customer Retention

- a. Launch seasonal campaigns (e.g., “Build with Strength” discounts during high construction months) with monthly sales tracking by region and product line
- b. Quarterly reviews to adjust pricing, marketing campaigns, and sales targets based on construction trends and demand

BUSINESS PLAN

Section 3

Operating Plan

1. Production Operations

Manufacturing Facility: Located in Dodoma, the plant operates on a daily shift system to produce steel bars, rods, and iron sheets.

Process Flow: Raw materials (primarily scrap metal) are melted, processed, and rolled into final steel products using automated machinery.

Quality Control: Every production batch undergoes testing to meet national standards (TBS), ensuring product strength and consistency.

2. Raw Materials & Supply Chain

Sourcing: Scrap metal is sourced from local suppliers and supplemented with imports when necessary.

Inventory Management: A stock control system is used to monitor input materials and finished products, ensuring minimal delays in production.

3. Workforce Management

Skilled Labor: The factory employs trained technicians, machine operators, and supervisors.

Safety & Compliance: Regular training is conducted on safety, equipment handling, and environmental regulations.

4. Sales & Distribution

Order Fulfillment: Orders are processed through a centralized system, with deliveries scheduled via the company's fleet.

Regional Distribution: Products are delivered to wholesalers, construction companies, and hardware dealers across central and southern Tanzania.

5. Maintenance & Efficiency

Equipment Maintenance: Routine checks and preventive maintenance are performed to avoid breakdowns and ensure high productivity.

Operational Efficiency: The company monitors production output, waste levels, and energy usage to reduce costs and improve performance.

6. Customer Service & Support

Client Interaction: A sales and service team handles inquiries, tracks deliveries, and responds to feedback.

After-Sales Service: Support is provided to resolve product issues, fulfill repeat orders, and maintain long-term relationships.

1. Workforce Structure

Dodoma Steel Limited will maintain a well-organized workforce consisting of:

Factory Workers: Machine operators, welders, technicians, and maintenance staff

Supervisory Staff: Production supervisors and quality control officers

Administrative Staff: HR officers, accountants, and procurement personnel

Sales & Marketing Team: Regional sales officers and customer service agents

Management: General Manager, Operations Manager, and Finance Manager

2. Recruitment & Staffing

Local Hiring: Priority will be given to qualified candidates from the Dodoma region to support local economic development.

Skills-Based Hiring: Technical roles require candidates with vocational training or industrial experience.

Internship Program: Partner with local training institutions to offer internships and apprenticeships.

3. Training & Development

Onboarding Programs: All new hires will receive safety, quality, and role-specific training.

Ongoing Training: Regular workshops in machine handling, workplace safety, and customer service will be provided.

Leadership Development: Supervisors and key staff will undergo leadership and productivity training.

4. Employee Welfare & Retention

Competitive Salaries: Compensation will be based on industry standards, with incentives for high performance.

Health & Safety: The company will ensure a safe working environment, provide protective equipment, and offer health insurance.

Staff Motivation: Bonuses, recognition programs, and career growth opportunities will be used to retain top talent.

5. HR Policies & Compliance

Clear Policies: Employment contracts, working hours, leave entitlements, and grievance procedures will be clearly defined.

Labor Law Compliance: All HR practices will follow Tanzanian labor regulations and industrial standards.

1. Production & Operations

Upgrade Equipment: Invest in modern steel rolling and cutting machines to improve product quality and reduce production downtime.

Ensure Raw Material Supply: Secure long-term contracts with scrap metal suppliers and explore local sourcing options to reduce dependence on imports.

Quality Control: Implement strict quality assurance measures to meet Tanzanian Bureau of Standards (TBS) requirements and enhance customer trust.

2. Sales & Marketing

Expand Sales Team: Recruit and train sales representatives to cover Dodoma, Dar es Salaam, and other growing regions.

Launch Marketing Campaigns: Roll out branding and awareness campaigns (radio, social media, and outdoor advertising) to reach builders, hardware dealers, and developers.

Develop Distributor Network: Identify and onboard hardware store partners in target regions to increase market reach.

3. Customer Service & Retention

Create Client Support Desk: Set up a dedicated line or WhatsApp number for order tracking, delivery scheduling, and after-sales support.

Loyalty Programs: Introduce incentive programs for returning clients and high-volume buyers.

4. Logistics & Distribution

Optimize Delivery Fleet: Invest in reliable transport vehicles for prompt delivery across central and southern Tanzania.

Warehousing: Establish distribution warehouses or depots in high-demand zones (e.g., Morogoro, Mbeya) for faster order fulfillment.

5. Financial Management

Cost Tracking & Budgeting: Use simple financial software to monitor production costs, pricing, and profit margins.

Seek Financing Options: Explore local bank loans or government industrial development incentives for expansion.

6. Compliance & Risk Management

Regulatory Compliance: Ensure business licensing, tax obligations, safety, and environmental regulations are met.

Insurance & Safety: Maintain insurance for machinery, property, and workers; conduct regular safety training for factory staff.

STARTUP CAPITAL NEEDED 2.5 BILLION**Sources of Fund**

Equity TZS 1.2 BILLION

Bank loan TZS 1.3 BILLION

One year projection

Revenue TZS 3.5 BILLION

Gross profit TZS 1.2 BILLION

Net profit TZS 500,000,000

Management/ Advisors

Director 1**Daniel Robina Ligoha, President (50% ownership)**

43 years old. Over 20 years' experience with the construction industry. Main responsibilities: marketing, business planning & financial operations.

Director 2

Mwajuma Hussein Yahya, Corporate Secretary (0% ownership)

35 years of Dar es Salaam Tanzania

Director 2

Weixing Cheng, Manager (50% ownership)

48 years of Shandong China, plus 11 years' experience with building supplies firm