

Business Plan

EAST AFRO CREATIONS (T) LIMITED

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1 Executive Summary

1.1 The Quick Pitch

East Afro Creations (T) Limited is A registered company in Tanzania with registration number 155210257 and Taxpayer Identification Number (TIN) 155-210-257. Current the company deals with production of Biomass Briquette.

1.2 The Problem

The company was first registered to solve the problems to our customers who are mainly based in Tanzania. Those problems include the following:

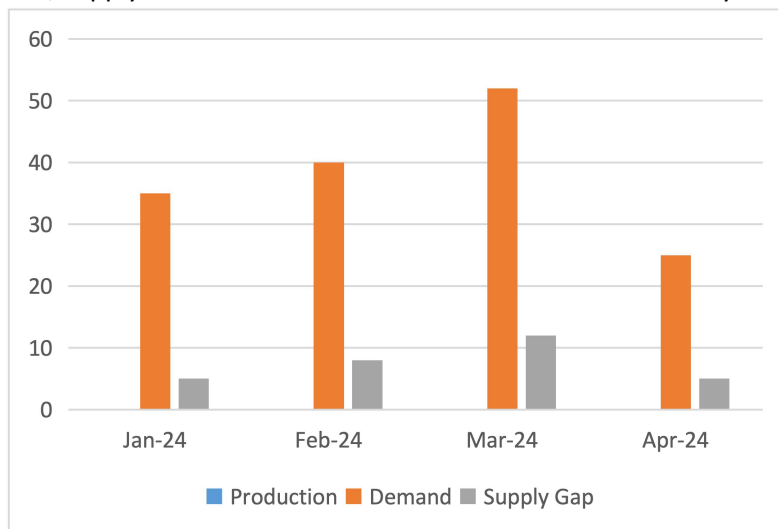
- Problem of availability of alternative source of energy, this is a global issue right now and in Tanzania so many people depends on charcoal as their source of energy. Charcoal is derived from burning of trees which in turn result into Environmental Degradation. Being that as the main problem our company deals with production of Biomass Briquette which is an alternative source of energy, and we produce it from the Timber saw dust(residuals). This Biomass briquettes are alternative to charcoal as a source of energy and since we have customers in different areas of Tanzania we participate in Reduction of charcoal uses country wide.
- Problem of availability of food and beverage, we supply to the market different types of food crops which include Rice, Beans as well as Maize. We produce those locally and also we import them from different countries. The company strive to bridge food supply gap to the local market. We have also restaurants and mobile food services and we render such service countrywide.

1.3 The Solution

Our company strive as much as it can to solve the above mentioned problems in different ways for example for the next financial year we are planning to expand production of Biomass Briquette by procuring a new briquette production plant with an improved capacity compared to the existing one that is located in Mafinga. That plant estimate to cost \$64,248. We have plan this because the Demand keeps on rising day by day due to the rising cost of charcoal, therefore most of customers shift from using charcoal to alternative source of energy. Secondly we are planning to increase the importation of rice and maize from abroad to local market because of poor climate in this agriculture season, and as the company we anticipate the demand for this crops will rise due to poor yield. Lastly we are planning to open other restaurants and food outlets in Different areas of the country.

1.4 Highlights

Below Bar graph illustrate the rising Demand of Biomass briquette from January to April 7 2024. Data are based on company's production, supply and customer order books in tones' from January to April 2024.



(Source East Afro Creations(T) limited,2024)

1.5 Keys to Success

Our keys to success for the next financial year will include the following aspects:

1. Invest on Marketing as well as Research and Development activities
2. Improving the quality of our product which we produce locally.
3. Importing quality goods from the reliable international source
4. Rendering quality service especially on those products that we render service like on restaurants.

2 Our Team & Organization

2.1 Mission Statement

Our Company mission statement is *“To provide goods and services to the society of Tanzania which are quality at an affordable price with a huge consideration on protection of our environment”*

2.2 Management & Team

Professional and Advisory Support	
Board of Directors	1) Biju Thaythara Sreedhran P.O Box 55099, Dar es salaam. 2) Ranjit Nellikambat, P.O Box 55099, Dar es laam.
Management Advisory Board	
Attorney	Mashaka Ngole, Advocate and commissioner for oaths, P.o Box 55099, Dar es laam
Accountant	Elegance Auditors.
Insurance Agent	ICEA LION General Insuarance
Banker	Credit and Rural Development Bank(CRDB)
Consultant(s)	
Mentors and Key Advisors	

2.3 Company Goals and Objectives

The objectives for which the company is established are:

- Manufacture of products of wood, cork, straw, and painting materials Covers manufacture of fuels, lignite fuel briquettes, blending biofuels
- Wholesale of food, Beverages and Tobacco includes species
- Retail sale of other goods in specialized stores
- Wholesale on a fee or contract Basis Hardware
- Wholesale of construction materials, Hardware, Plumbing and heating equipment and supplies
- Retail sale of computers, peripheral units, software and telecommunication equipment in specialized stores
- Restaurants and mobile food services activities.

3 Products & Services

The products that we render includes the following:

1. Production of Biomass Briquette
2. Production of painting materials
3. Blending Biofuels
4. Whole sale of construction materials
5. Whole sale of computer Hardware and software

The service that we render/provide are:

1. Mobile food service activities
2. Restaurants.

4 Market Analysis

4.1 Market Summary

The company start officially to operate on 2022, and we start to supply the light industries which produces different kind of goods like those of foods and Beverages. We had our main customers in Dar es laam only and Arusha Region. But in year 2023 we started to expand market to Dodoma region and Morogoro. We expect in nearby future will explore the Market in the whole country because we have a big support from The Government of Tanzania Especially on Market of This alternative source of energy. Up to now the average demand per month range from 40 to 50 tonnes. Due to pressure on rising cost of charcoal we anticipate that will reach up to 100 tonnes per month in three years to come

4.2 Customers

Our target customers for the Biomass Briquette are, light industries, schools, colleges, hotels, universities, Catering companies for food and beverages as well as Hospitals. For the biofuels we supply it to the light and heavy industries that use Biofuel engines in their production. For construction materials we supply to the constructors who have big project like construction of roads and Building. We also deal with different government and ministerial institutions in supply of computer Hardware and Softwares.

4.3 Competition

In Mafinga there is a lot of light industries that deals with the production of Timber, timber saw dust is the main raw material that are used to manufacture Biomass Briquette. Most of producers of this Biomass Briquettes produced in small quantity. For the large producers like our factory which exceed five tonnes per month we have two main competitors. Below table shows 15 factors we have analyze the competition with them which are labeled competitor A and B.

FACTOR	Me	Strength	Weakness	Competitor A	Competitor B	Importance to Customer
Products	Average	Little ashes	Low energy	Average	Good	Average
Price	Good	Low price	Its cheapness	Average	High	Important
Quality	Average	Provide energy	Low energy	Good	High	Important
Selection	High	Its cheapness	-	Average	low	Average
Service	High	Mode of transportation	-	Average	High	Important
Reliability	Average	-	Low production	High	High	Important
Stability	good	Stability in price	-	Average	Average	Important
Expertise	High	After sale service	-	Average	Average	Important
Reputation	Average	-	-	Average	Average	Average
Location	Good	Near source of raw materials	-	Average	Good	Average
Appearance	good	Feedback from customers	-	Average	Good	Not important
Sales Method	Good	Direct sales	-	Average	Average	Important
Credit Policies	Good	We sale on credit	-	Average	Average	Average
Advertising	Good	Reliability of the media we use	-	Average	Average	Important
Image	Good	-	-	-	-	Important

5 Strategy & Implementation

5.1 Milestones (Keys to Success)

Our keys to success for the next financial year depend on the following milestone:

1. Milestone one to Invest on marketing as well as research and development activities.
2. Milestone two to Invest on Improving the quality of our product which we produce locally
3. Milestone three to Improving the quality of our product which we produce locally.
4. Milestone four to Importing quality goods from the reliable international source
5. Milestone five to Render quality service especially on those products that we render service like on restaurants

Milestone	Start Date	Duration	End Date	Budget
Milestone #1	9/15/2024	60	11/14/2025	\$10,000
Milestone #2	10/15/2024	60	12/14/2025	\$20,000
Milestone #3	11/14/2024	60	1/13/2025	\$30,000
Milestone #4	12/14/2024	120	4/12/2025	\$20,000
Milestone #5	10/15/2024	120	2/12/2025	\$10,000
Milestone #6	11/14/2024	30	12/14/2025	\$20,000
Total				\$110,000

[Source: East afro creation(T) limited 2024]

5.2 Customer Acquisition

As mentioned to key to success milestone, the company expect to gain the customer through improving marketing as well as research and development activities. Marketing will be done through advertisement into different media outlets that include Radio, Television and newspapers. Research will be done only through feedback from our own customer on the level of satisfaction of our product and the service we render. We estimate that we will use approximately \$ 10,000 to gain both existing and new customers. The customer life time value will be to obtain quality goods and services which the company will render to them.

5.3 Pricing Strategy and Revenue Model

The company always uses the forces of demand and supply pricing strategy as well as the cost of production pricing strategy. But for the next financial year we will combine those with the existing economic status so as to create a good relationship with customer and to maintain our customer base in future. Our main condition in pricing of goods and services will base upon win-win situation between us and our customer, we will ensure that we offer them with a better service and at an affordable price.

Profit will not only depend on the price that we offer for the goods and service but also will depend on the cost that we have used in provision or production of such product, means that we will strive to produce or supply at low cost and with a better quality and get profit as well.

6 Financial Plan & Projections

6.1 Start-up Expenses & Funding

Start-up Expenses	
<i>Fixed Costs</i>	
Legal and Permits	\$5,000
Stationery and Supplies	\$3,000
Insurance	\$10,000
Rent	\$2,000
Office Equipment	\$5,000
Website Development	\$5,000
Marketing and research	\$10,000
Brochures	\$5,000
Total Fixed Costs	\$45,000
<i>Average Monthly Costs</i>	
Rent	\$2,000
Utilities	\$5,000
Salaries / Wages	\$5,000
Total Average Monthly Costs	\$12,000
x 12 Number of Months:	\$144,000
Total Monthly Costs	\$144,000
Total Startup Expenses	\$189,000
Start-up Assets	
<i>Owner Funding</i>	
Owner 1 Cash	\$50,000
Owner 2 Cash	\$50,000
Other	
Total Owner Funding	\$100,000
<i>Loans</i>	
Bank Loan 1	\$89,000
Bank Loan 2	\$0
Other	
Total Loans	\$89,000
<i>Other</i>	
Grant 1	\$0
Grant 2	\$0
Other	
Total Other Funding	\$0
Total Start-up Assets	\$189,000

6.2 Sales Forecast

Units Sold	July-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	March-24	April-25	May-25	June-25	Total Units Sold
Biomass Briquette	500	525	550	575	550	525	525	550	575	600	650	650	6775
Computer Hardware	1500	1000	1000	1250	1250	1500	1500	1750	2000	2500	3000	3000	21250

Unit Price	Avg Unit Price												
Biomass Briquette	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99
Computer Hardware	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99

Sales Growth Rate	Avg Growth Rate												
Biomass Briquettes	0%	5%	5%	5%	-4%	-5%	0%	5%	5%	4%	8%	0%	2%
Computer Hardware	0%	-33%	0%	25%	0%	20%	0%	17%	14%	25%	20%	0%	8%

Revenue	Total Revenue												
Biomass Briquette	\$9,995	\$10,495	\$10,995	\$11,494	\$10,995	\$10,495	\$10,495	\$10,995	\$11,494	\$11,994	\$12,994	\$12,994	\$135,432
Computer Hardware	\$22,485	\$14,990	\$14,990	\$18,738	\$18,738	\$22,485	\$22,485	\$26,233	\$29,980	\$37,475	\$44,970	\$44,970	\$318,538
Total Revenue	\$32,480	\$25,485	\$25,985	\$30,232	\$29,732	\$32,980	\$32,980	\$37,227	\$41,474	\$49,469	\$57,964	\$57,964	\$453,970

Unit COGS	Avg COGS												
Biomass Briquettes	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.00	\$4.00	\$4.00	\$4.38
Computer Hardware	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10

Margin Per Unit	Avg Margin												
Biomass Briquettes	\$15.49	\$15.49	\$15.49	\$15.49	\$15.49	\$15.49	\$15.49	\$15.49	\$15.49	\$15.99	\$15.99	\$15.99	\$15.62
Computer Hardware	\$11.89	\$11.89	\$11.89	\$11.89	\$11.89	\$11.89	\$11.89	\$11.89	\$11.89	\$11.89	\$11.89	\$11.89	\$11.89

Gross Profit	Total												
Biomass Briquettes	\$7,745	\$8,132	\$8,520	\$8,907	\$8,520	\$8,132	\$8,132	\$8,520	\$8,907	\$9,594	\$10,394	\$10,394	\$105,895
Computer Hardware	\$17,835	\$11,890	\$11,890	\$14,863	\$14,863	\$17,835	\$17,835	\$20,808	\$23,780	\$29,725	\$35,670	\$35,670	\$252,663
Total Gross Profit	\$25,580	\$20,022	\$20,410	\$23,769	\$23,382	\$25,967	\$25,967	\$29,327	\$32,687	\$39,319	\$46,064	\$46,064	\$358,557

6.3 3-Year Sales Forecast

	Year 1	Year 2	Year 3	Yr 2 vs Yr 1	Yr 3 vs Yr 2
Total Units Sold				% Change	
Biomass Briquettes	6775	7500	8850	11%	18%
Computer Hardware	21250	27250	33750	28%	24%
Peripheral units	3650	4375	5500	20%	26%

	Year 1	Year 2	Year 3	Difference	
Avg Unit Price					
Biomass Briquettes	\$19.99	\$19.99	\$19.99	\$0.00	\$0.00
Computer Hardware	\$14.99	\$14.99	\$14.99	\$0.00	\$0.00
Peripheral Units	\$49.99	\$54.99	\$59.99	\$5.00	\$5.00

	Year 1	Year 2	Year 3	Difference	
Avg Sales Growth Rate					
Biomass Briquettes	2%	1%	2%	-1%	1%
Computer Hardware	8%	6%	4%	-2%	-2%
Peripheral units	8%	2%	3%	-6%	1%

	Year 1	Year 2	Year 3	Difference	
Total Revenue					
Biomass Briquettes	\$135,432	\$149,925	\$176,912	\$14,493	\$26,987
Computer Hardware	\$318,538	\$408,478	\$505,913	\$89,940	\$97,435
Peripheral units	\$182,464	\$240,581	\$329,945	\$58,117	\$89,364
Total Revenue	\$636,434	\$798,984	\$1,012,770	\$162,550	\$213,786

	Year 1	Year 2	Year 3	Difference	
Avg Unit COGS					
Biomass Briquettes	\$4.38	\$4.08	\$3.75	(\$0.30)	(\$0.33)
Computer Hardware	\$3.10	\$3.05	\$3.01	(\$0.05)	(\$0.04)
Peripheral units	\$1.55	\$1.51	\$1.36	(\$0.04)	(\$0.15)

	Year 1	Year 2	Year 3	Difference	
Avg Margin Per Unit					
Biomass Briquettes	\$15.62	\$15.91	\$16.24	\$0.29	\$0.33
Computer Hardware	\$11.89	\$11.94	\$11.98	\$0.05	\$0.04
Peripheral units	\$48.44	\$53.48	\$58.63	\$5.04	\$5.15

	Year 1	Year 2	Year 3	Difference	
Total Gross Profit					
Biomass Briquettes	\$105,895	\$119,431	\$143,868	\$13,536	\$24,437
Computer Hardware	\$252,663	\$326,003	\$405,188	\$73,340	\$79,185
Peripheral units	\$176,806	\$234,025	\$322,613	\$57,219	\$88,588
Total Gross Profit	\$535,364	\$679,459	\$871,669	\$144,095	\$192,210

6.4 Profit and Loss Projection

INCOME	2024	% of OI	2025	% of OI	2026	% of OI
Operating Income						
Biomass Briquettes	\$135,432	-	\$149,925	-		-
Computer Hardware	\$328,538	-	\$408,478	-		-
Peripheral units	\$182,464	-	\$240,581	-		-
		-		-		-
Total Operating Income (OI)	\$636,434	-	\$798,984	-	\$0	-
Non-Operating Income						
Interest Income	-		-			
Rental Income	-		-			
Gifts Received	-		-			
Donations	-		-			
Total Non-Operating Income	\$0		\$0		\$0	
Total INCOME	\$636,434	-	\$798,984	-	\$0	-
EXPENSES						
Operating Expenses						
Accounting and Legal	\$5,000	-	\$5,000	-		-
Advertising	\$5,000	-	\$8,000	-		-
Depreciation	\$2,000	-	\$1,500	-		-
Dues and Subscriptions	-	-	-	-		-
Insurance	\$10,000	-	\$10,000	-		-
Interest Expense	\$5,000	-	\$6,500	-		-
Maintenance and Repairs	\$1,000	-	\$2,500	-		-
Office Supplies	\$5,000	-	\$3,000	-		-
Payroll Expenses	\$3,000	-	\$3,000	-		-
Postage	\$1,200	-	\$1,200	-		-
Rent	\$24,000	-	\$24,000	-		-
Research and Development	\$10,000	-	-	-		-
Salaries and Wages	\$60,000	-	\$60,000	-		-
Taxes and Licenses	\$114,480	-	\$114,000	-		-
Telephone	\$1,000	-	\$1,000	-		-
Travel	\$2,500	-	\$2,000	-		-
Utilities	\$60,000	-	\$60,000	-		-
Web Hosting and Domains	\$5,000	-	\$5,000	-		-
Total Operating Expenses	\$314,180	-	\$306,700	-	\$0	-
Non-Recurring Expenses						
Furniture, Equipment & Software	-	-		-		-
Gifts Given	-	-		-		-
Total Non-Recurring Expenses	\$0	-	\$0	-	\$0	-
Total EXPENSES	\$314,180	-	\$306,700	-	\$0	-
Net Income Before Taxes	\$322,254		\$492,284		\$0	
Income Tax Expense	\$58,006		\$88,611			
NET INCOME	\$264,248		\$403,673		\$0	

Owner Distributions / Dividends
Adjustment to Retained Earnings

-

\$264,248

-

\$403,673

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\$0

6.5 Balance Sheet

Assets	2024	2025
Current Assets		
Cash	\$100,000	
Accounts receivable	\$33,000	
Inventory	\$14,000	
Prepaid expenses	-	
Short-term investments	-	
<i>Total current assets</i>	\$147,000	\$0
Fixed (Long-Term) Assets		
Long-term investments	\$64,248	
Property, plant, and equipment (Less accumulated depreciation)	\$42,000	
Intangible assets	-	
	\$200,000	
<i>Total fixed assets</i>	\$306,248	\$0
Other Assets		
Deferred income tax	-	
Other		
<i>Total Other Assets</i>	\$0	\$0
Total Assets	\$453,248	\$0

Liabilities and Owner's Equity		
Current Liabilities		
Accounts payable	\$5,000	
Short-term loans	-	
Income taxes payable	\$58,006	
Accrued salaries and wages	-	
Unearned revenue	-	
Current portion of long-term debt	-	
<i>Total current liabilities</i>	\$63,006	\$0
Long-Term Liabilities		
Long-term debt	\$50,000	
Deferred income tax	-	
<i>Total long-term liabilities</i>	\$113,006	\$0
Owner's Equity		
Owner's investment	\$75,994	
Retained earnings	\$264,248	
<i>Total owner's equity</i>	\$340,242	\$0
Total Liabilities and Owner's Equity	\$453,248	\$0

Common Financial Ratios		
Debt Ratio (Total Liabilities / Total Assets)	1	
Current Ratio (Current Assets / Current Liabilities)	2.3	
Working Capital (Current Assets - Current Liabilities)	83,994	-

Assets-to-Equity Ratio (Total Assets / Owner's Equity)	1.3
Debt-to-Equity Ratio (Total Liabilities / Owner's Equity)	1.48

6.6 2-Year Cash Flow

CASH BALANCE		2024	2025
Date Ending		Dec-2024	June2025
Cash at Beginning of Period		\$100,000	\$189,000
Cash at End of Period		\$100,000	\$189,000

CASH INFLOWS		2024	2025
<i>Cash from Operations</i>			
Receipts from Customers		\$636,434	\$798,985
Gross Rents		-	-
Total Cash from Operations		\$636,434	\$798,985
<i>Cash from Financing</i>			
Issuance of Stock		\$75,994	-
Borrowing		-	\$89,000
Total Cash from Financing		\$712,428	\$887,985
<i>Cash from Investing</i>			
Sale of Property and Equipment		-	-
Collection of Principal on Loans		-	-
Sale of Investment Securities		-	-
Total Cash from Investing		\$0	\$0
Total Cash Inflows		\$712,428	\$887,985

CASH OUTFLOWS		2024	2025
<i>Operations</i>			
Wages		-	-
Inventory Purchases		-	-
General Operating Expenses		\$314,180	\$306,700
Interest		-	-
Income Taxes		\$58,006	\$88,611
Total Outflows from Operations		\$372,186	\$395,311
<i>Financing</i>			
Repayment of Loans		\$38,000	\$50,000
Repurchase of Stocks		-	-
Dividends Paid		-	\$75,994
Total Outflows from Financing		\$410,186	\$521,305
<i>Investing</i>			
Purchase of Property and Equipment		\$64,248	-
Making Loans to Other Entities		-	-
Purchase of Investment Securities		-	-
Total Outflows from Investing		\$64,248	\$0
Total Cash Outflows		\$474,434	\$521,305

NET CASH FLOW	\$237,994	\$366,680
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