



HERSCHEL UNITED TAXI HOLDINGS (PTY) LTD

Business Plan

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EXECUTIVE SUMMARY

Sterkspruit is a town in Joe Gqabi District Municipality in the Eastern Cape province of South Africa.

The town is located about 45 km south-east of Zastron, 80 km north-east of Aliwal North, and 24 km from the Lesotho border. It takes its name from the Sterkspruit, the watercourse on which it is situated. The highway is the main road through town, from Lesotho to Aliwal North and is used daily by hundreds of commuters between the Border and Aliwal North.

As the largest fuel depot in Sterkspruit we currently source and offer these commuters Service and spares and we are planning to expand and grow our business even more.

The aim of this plan is to be a guide for our business. Redefining our markets, strategies, and mission and to further develop the town and community by providing a recreational park, fitness facility and affordable office space for local businesses and entrepreneurs.

1. DESCRIPTION

1.1 Objectives

- To provide healthy leisure opportunities for the community that gives individuals and groups the equipment, facilities, and staff to meet those needs.
- To provide a unique facility with an innovative atmosphere to prosper small and medium businesses.
- To offer our customers superior products and services, at affordable prices.
- To provide customer service that is second to none.
- To assist in the upliftment of the local community and economy by providing sustainable jobs

1.2 Mission

To build long term relationships with our customers and clients and provide exceptional customer services by pursuing business through innovation.

1.3 Vision

To provide quality services that exceeds the expectations of our esteemed customers.

1.4 Keys to Success

- Good quality products and services at competitive prices.
- Excellent customer service that will promote customer loyalty.
- Keeping close contact with clients and establishing a well-functioning long-term relationship with them
- A location that will assure that commuters will stop, and the community will utilise our facilities.

SWOT analysis

Strength:

We are centrally located in Sterkspruit; our location is in fact one of our major strengths. Aside from the basic service that we offer, we also offer complimentary services, like our Spares Department.

So also, the vast experience of our management team, we have people on board who are highly experienced and understands how to grow business to becoming a national phenomenon and our attendants are well groomed to handle various classes of customers; our excellent customer service culture will count as a strong strength for the business.

Weakness:

Our diversified business might entice competitors to expand and offer similar products and services to clients.

Opportunities:

We are centrally located in one of the main streets in Sterkspruit and we are open to all the available opportunities that the community and surroundings have to offer.

By acquiring this additional property, we will be able to build a gym, office park and a recreational park.

This will enable us to become a “one stop shop” for residents, businesses, commuters and visitors.

This expansion project will potentially increase the health and wellbeing of residents and improve the local economy due to additional job creation.

Threat:

One of the major threats that confront businesses all over the world is economic downturn; when the economy is bad it affects consumers spending which in turn impacts businesses negatively.

1.5 Stakeholders Analysis

There are currently 226 shareholders.

Directors:

- a. RB Tsoaeli
- b. LC Nyelimane
- c. S Sunduza
- d. RW Mokushane
- e. AM Mokhanya
- f. RT Mdalana
- g. RM Khuma

2. MARKET ANALYSIS

2.1 Market Trends

There is hardly anyone who doesn't have a need for Service stations, this is why it is vital that one keys into this industry. One of the trends in the Service station industry is that, in the bid to stay afloat in the highly competitive Service station industry, owners of Service stations now go the extra mile to ensure that they make their facility welcoming and conducive for customers.

Service stations now have vulcanizing services, car wash, convenience stores, coffee bars, snack bars, and cigar lounge within their facility to leverage on the opportunities around them to generate more income.

By building a gym and recreational park we will be able provide additional activities for the community for recreational purposes because there's strong scientific evidence that being physically active can help you lead to a healthier and happier life.

The office park will enable small and medium businesses to potentially rent more affordable office/workspace in a busy location, enabling them to be more visible to potential clients.

The availability of additional office space in the area can potentially lead to new business ventures and opportunities in the community, that can add value to the local economy.

2.2 Our Target Market

Before choosing to diversify for our Service station business, we conducted our feasibility studies and market survey, and we were able to identify the industries that will be most beneficial to our current service station, and this is why we decided to open a spares facility and a Fresh Stop convenience shop.

Essentially those who will benefit from our service offering are automobile drivers and they are of course transport and fleet businesses and private individuals. They are the category of people that we intend to market our service station services to.

The gym will essentially be for our health and fitness conscience Sterkspruit residents, but we will be proactively marketing the fitness facility to all, no matter your fitness level.

Being physically active can improve your brain health, help manage weight, reduce the risk of disease, strengthen bones and muscles, and improve your ability to do everyday activities.

The office park will be marketed locally and regionally to small, medium, and large companies and businesses, as well as potential entrepreneurs and startup business owners.

The Office Park can be utilized as a mix of offices, workshops, and even small shops.

2.3 Our Competitive Advantage

Before launching new services at our service station, we have critically studied the market and we know that we have some form of competitive edge. Our competitive advantage is that we have a standard Service station facility that offers additional complementary services that will help us attract and retain customers.

Another competitive advantage that we have is the vast experience of our management team, we have people on board who are highly experienced and understand how to grow the business to become a national phenomenon. So also, the wide variety of other complimentary services and products that we offer and of course our excellent customer service culture will count as a strong strength for the business.

3. SALES AND MARKETING STRATEGY

3.1 Marketing and Sales Strategy

The marketing strategy for us is going to be driven basically by making available standard and safe petrol and diesel, Fresh Stop convenience shop, knowledgeable and experienced staff, excellent customer service and provision of complimentary services.

We will work hard to build a loyal customer base; customers that will always patronize us repeatedly and as well help us use word of mouth publicity to get their friends and acquaintance to patronize us.

We are quite aware of how satisfied customers drive business growth, especially businesses like service stations, which is why we will always ensure that our customer service and facilities are top notch.

In view of that, we are going to adopt the following strategies to ensure that we do not only attract customers but ensure that they become loyal customers.

Part of the marketing and sales strategies that we will adopt is:

- Introduce our new services to residents, transport companies, merchants, small and medium businesses, and other stakeholders both in Sterkspruit and the surrounding area.
- Continuously Improving the performance of our brand
- Delivering consistent customer experiences to all our clients; making our first impression count positively.

3.2 Sources of Income

3.2.1 Service station

Our core business is established with the aim of maximizing profit in the Service station industry in the Eastern Cape and we are going to go all the way to ensure that we do all it takes to generate enough income from both our basic product and services offerings and our complimentary services.

We will generate income by offering the following services and products:

- Petrol 95
- Petrol 93

- Diesel 50ppm
- Diesel 500ppm
- Paraffin
- Lubricants
- Spares.

3.2.2 Fresh Stop

Fresh Stop is known as the best before- and after-work convenience store that provide the following:

- Ready-to-go warm, fresh meals and snacks.
- Coffee and other hot beverages
- Everyday essentials

3.2.3 Gym

The primary income source for the gym will be from affordable membership fees. Members will have the option of various membership contracts, ranging from monthly to two-year membership options.

3.2.4 Office/shop rental

The office park will be able to accommodate 60, 18m² units and will be leased to lessors on short-, medium- and long-term rental agreements.

4. JOB CREATION

Not only will this project offer sustained source of income to the shareholders, but also empower them to create new jobs for the community in which the business is located. There will be temporary and permanent jobs available to the community for years to come.

Temporary Jobs

Phase 1 - Gym building - 4 months to complete	Phase 2 - Office and recreational park - 2 months to complete
Builders and general Workers x 20	Builders and general Workers x 15
R280 000	R105 000
Total salaries	R 385 000,00

Permanent Jobs

<u>Monthly Salaries</u>				
Gym			Recreational Park	Office park
Manager	Cleaners x 4	Trainers x 3	General Workers x 2	General worker
R10 000	R16 000	R18 000	R 7 000	R 3 500
Total monthly salaries		<u>R54 500</u>		

Total contribution to local economy will be more than R1 000 000 within the first 12 months of this project.

These jobs will not only lower the crime rate, but also uplift the standard of living within the community.

5. RISK ANALYSIS

For any business to be successful it is important that it is economically feasible and that there is a sufficient cash flow available to service all its commitments. It is important not to assume that a loss in one year could be corrected in the next year and should a loss be made, the business should review their business model. It will therefore become important that costs are managed with care. Realism and conservatism are keywords in this industry.

New entrants in the market pose the main risk to the successful continuation of the business. Changes in consumer preferences, pose a direct risk to the profitability of the business, which is why it is of utmost importance for the business to provide exceptional customer services by through innovation.

Other risks that should be considered, that could have an impact on profitability, include theft and internal conflict.

6. SOCIAL UPLIFTMENT AND RENTAL TERMS

a. FOSTERING SOCIAL UPLIFTMENT AND INCLUSIVE ECONOMY

It is imperative to embrace the hawkers already conducting businesses on Erf 68, showcasing our commitment to inclusivity and social cohesion. Currently, many stalls on this site lay idle or serve as hubs for criminal activity, deviating from their intended purpose. However, amidst these challenges, there are a select few stall occupants demonstrating consistency in their operations. To recognize their dedication, we've made provisions to prioritize their accommodation within our office park. By doing so, we actively contribute to social upliftment and economic inclusivity in our community.

b. PROPOSED RENTAL TERMS

In seeking a long-term lease with the municipality for this space, substantial investment is necessary. The anticipated employment opportunities are expected to be enduring, necessitating an extended lease agreement. Therefore, we propose a monthly rental payment of, reflective of the significant investment and long-term commitment involved.

7. ACKNOWLEDGEMENTS

We would like to acknowledge all the shareholders for their cooperation and inputs in this business plan.