**ParcelFeed™**

**Cooperate Structure**

* Chief Executive Officer(C.E.O)- Njoki Peter Kahenya

Peter Kahenya is the C.E.O and originator/founder of the startup and responsible for workforce.

**Roles**

1. Peter Kahenya is the leader and the face of the company to investors and other companies.
2. Coordination of the company activities and the different departments.
3. Delegating the tasks and new responsibilities to the top leadership of the different departments.
4. Supervision of the leaders of these departments.
5. Heading strategic and business planning.
6. Vetting new employees.

* Chief Technology Officer(C.T.O)-Allan Barua

Allan Barua will be in charge of the technology and the Information system.

**Roles**

1. Making the software platform
2. Maintaining the information system.
3. Handling and raising the online customer feedback to other departments.
4. Database Administration.
5. Investigating the driver background.

* Chief Finance Officer(C.F.O)-Steven Mwenje

Steven Mwenje will be in charge of the company’s finances.

**Roles**

1. Handling the company balance sheet.
2. Budgeting.
3. Salaries management and negotiations.
4. Auditing the company’s financial resources and assets.
5. Ensuring the company complies with the financial aspects of the strategic and business plans as well as government regulation on financial management.

* Head Of Marketing-Kelvin Wamuiga

Kelvin Wamuiga will be the face of the company to customers and the general public.

**Roles**

1. Marketing the service to customers.
2. Marketing the service to transporters/drivers.
3. Advertising.
4. Handling the company’s public relations.
5. Coordinating team building activities.

**ParcelFeed™**

**Service Description**

**What is ParcelFeed?**

ParcelFeed is a technology platform. A parcel service that connects sender/customers and drivers allowing customers(senders) to send their items from the comfort of their homes and track their item until its destination at a very cheap price. As a driver-partner, you use your vehicle or a fleet partner’s vehicle to pick up items and transport them to the receiver.

**How it works**

A customer wanting to send a parcel will first register into the system and there they can take a photo of their item and then the system contacts a nearby collection person who is a taxi person or bodaboda with space in their vehicle. Once the vehicle arrives, the person will now pay the cost via mobile money. The collection person then provides packaging material and then provides a sticker with a QR code which both the customer and the collection person scan and the initial amount is deducted from the customer's deposit. The taxi person then carries the item with their phone GPS switched on hence the customer can track the driver through Maps. Once the item arrives in our offices, the item is scanned and the track transferred to us and the item left with us. We then accumulate the items we want to send to a particular location and negotiate with a particular transportation company for a vehicle of that route and then send the items with them. The driver of that vehicle has to scan the items and then the customer will track that driver’s phone on maps. Once the item arrives at the destination, the item is scanned again before it is offloaded. The price for the item is then deducted. The area cab can then transport the item each time broadcasting their whereabouts to the customer. Once the receiver scans the QR code of the package, the final deduction is made from the account.

**Intracity InterCity**

Any driver

City2 collection point

City1 collection point

Fleet driver

Any driver

Any driver

**Why ParcelFeed?**

**To Customers-Senders**

To customers, this service is offered in terms of a mobile application that enables tracking of their package’s location for purposes of security and assurance of the same. It borrows heavily from taxi hailing whereby in this case you can hail a transporter.

**To Cab Drivers**

To cab drivers and other motorists that transport the parcel to collection station, this service will increase the efficiency per unit of fuel that they use to make extra cash by utilizing the space in their vehicles effectively. The service will be offered as a GPS enabled mobile app to broadcast their GPS location. Eventually the mission is to enable the parcel in itself to beam its GPS location by using a GPS enabled chip on the package.

**To Fleet Company**

To the transportation company, the service is a chance to broaden their revenue base by ensuring that their vehicles are used to the maximum and reducing the number of vehicles that are idle at a particular time.

To Us

To us, this is a chance to introduce efficiency in the transport sector and disrupt the slow and inefficient parcel services that provide little or no assurance and guarantee that the parcel arrives and on time.

**ParcelFeedTM**

Market Gap & Justification

Current Market Situation

**Target Market**

ParcelFeed will offer both business-facing and consumer-facing services.

Rural areas

ParcelFeed is targeting customers in rural areas that frequently send items to their kin in urban areas and vice versa.

Intracity/Intra-county

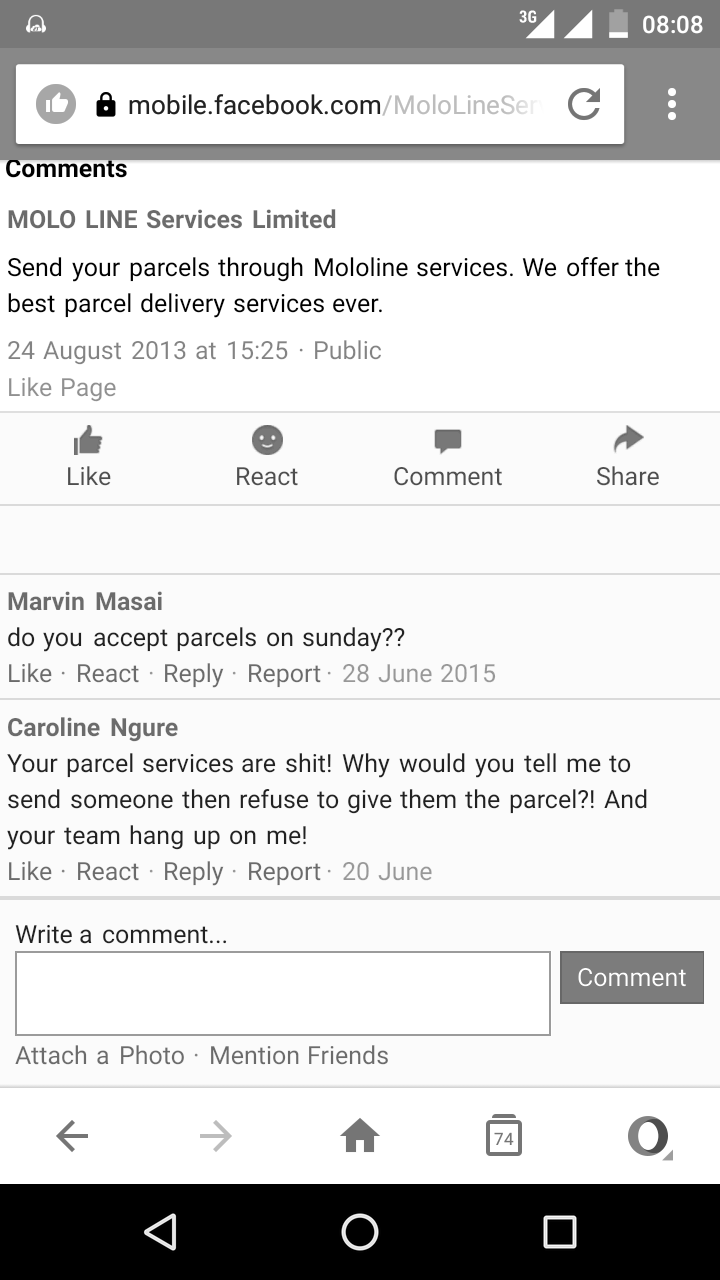
Within a city or county, ParcelFeed has several targets

1. Customers who send small items e.g. documents, clothing etc. to each other within a city. ParcelFeed is offering a quick and secure on location pick-up and delivery.
2. Businesses which send documents and other items to each other and to customers.

E-commerce companies

There has recently been a surge in e-commerce companies established in Kenya e.g. Jumia, Kilimall, masoko.com, even customer to customer auctioning e.g. Olx.co.ke. All of these companies worries about how to deliver their items to the customers. It is now necessary to establish a parallel delivery service with full range fleet as part of the e-commerce platform. However, ParcelFeed will target this market by linking these budding e-commerce firms to the largest collection of transporters with the widest coverage offering the fastest delivery than is currently available.

**Competition**



1. **Sendyit** is a courier service provider in Nairobi Kenya which hires and brands motorbike operators and other vehicle operators to deliver goods and small items within the Nairobi business district.
2. **Posta Courier** is a government owned letter and postal service Corporation with a wing that offers parcel services.
3. **EasyCoach Mololine et al parcel services.** These transport companies have side parcel service wings.
4. **FedEx.** Prestigious global courier service provider
5. **Others-Wells Fargo Courier Limited, DHL, Sky net Worldwide,G4S, UPS**

**Industry**

**ParcelFeed will exist in the courier/Parcel/cargo/logistics industry.** All courier businesses have to get licenses from the industry regulating body, Communications Authority of Kenya (CCK), before they begin their operations. Courier license fees are charged based on the service to be offered, format and area of service. According to CCK, regional operators within Kenya and with networks within East Africa pay Sh50, 000 annual licenses. An operator within Kenya pays Sh30, 000 while intra city or town operator pays Sh30, 000. Applications and payments must be done on or before 1st July of each year.

There exist other companies that operate transportation without having to buy vehicles but simply exist to link those who want to travel with the vehicle operators. These include Uber Kenya, Little taxi etc.

**GAPS**

1. Slow parcel services.
2. Insecure parcel services.
3. Fragmented parcel services industry.
4. Low adoption of new and efficient technology
5. Most parcel services are built as augmentation of human transport.
6. No on-location pick-up.
7. Prestigious services are very expensive.
8. All these companies have to have their own vehicles.

Customer’s View

In the current setting, in order to send a parcel, one has to physically go to the company parcel offices with their item; the item is then loaded in the vehicle once a good number of items is good enough to fill a vehicle. The sender then has to wait and coordinate with the receiver who has to physically travel to the local office of the company in order to collect the item. The coordination is done through persistent phone calls with the person on other end.

Transportation Company

Most transport companies e.g. 2NK, Mololine, Easy Coach etc. and other courier service providers e.g. Posta Corporation(PCK), Nation Media Group offer courier services based on the weight of the item. For transport companies, they offer courier services among other transport services.

JUSTIFICATION

**The world might be communicating electronically but we’re still quite keen on sending things to each other. The business world and individuals daily continue to trust important documents and parcels to the hands of parcel courier companies. A courier business involves conveyance and delivery of packets, documents, parcels distribution of publications or any other items that may need to be delivered.**

**Pros of starting such a company**

* No special skill needed as long as you are comfortable dealing with people.
* There is always demand for this service and the list of potential customers is almost endless.
* The business can be home-based, reducing start-up costs.
* The business is flexible and you can do it alongside your regular job or business.
* The business requires very minimal capital to start.

**ParcelFeed™**

PESTEL ANALYSIS

POLITICAL

The Kenyan government is generally business friendly but the courier industry is highly regulated by the government. The government’s reach in this field involves the setting the minimum price on the cost per gram of parcels sent by courier services in Kenya. All courier businesses have to get licenses from the industry regulating body, Communications Authority of Kenya (CCK), before they begin their operations. Courier license fees are charged based on the service to be offered, format and area of service. According to CCK, regional operators within Kenya and with networks within East Africa pay Sh50, 000 annual licenses. An operator within Kenya pays Sh30, 000 while intra city or town operator pays Sh30, 000. Applications and payments must be done on or before 1st July of each year.

Kenya Corporate TAX Regime-The Kenyan government controls the tax remitted by all organizations in Kenya current tax rate is at 30%.

Kenya Competition Policy- the CCK is responsible for regulating competition in the courier industry in conjunction with The Competition Authority Of Kenya. Kenya Business Policy and Incentives e.g. Preference of Youth procurement- The Kenyan government has instituted 30% procurement from youth, women and persons with disability. Devolution-Since 2013, Kenya has been divided into 47 centers of power. The 47 counties have become their own economic units offering opportunities for investments.

ECONOMIC

Kenya’s interest rate cap has reduced the number of financial institutions that are willing to give risky loans. Consumer Income has continued to rise steadily but the Spending has not been as good. Kenya’s GDP has grown at an average rate of 5% in the last 6years.

SOCIALCULTURAL

Kenya’s demography is mainly youth of average 19years of age. There is increased presence of pressure groups towards a more sustainable transport sector. Many Kenyans prefer to do things at the comfort of their homes than unnecessary travel. Kenya’s growing trend towards internet as solution to various issues.

TECHNOLOGICAL

Penetration of mobile phones and smartphones in Kenya has increased rapidly in the last decade. Most of these smartphones have GPS functionality. Internet Penetration has also been on the increase especially due to lowering cost of internet. Adoption of M-Pesa and other Mobile Money services has been the made cashless payment a promising future. Big Data analytics for trends and Dynamic pricing and routing advice is now becoming ubiquitous. E-commerce has been on the sharp increase in Kenya offering a lot of goods that need to be shipped to their buyers.

ENVIRONMENTAL (Ethics)

Sustainability- There has been increased focus on sustainability and environmental impact of companies’ actions in Kenya and around the world. Tax Practices have become a huge issue with focus on how companies can keep more of the profits in their areas of operation. Ethical Sourcing (Supply Chain) of the materials in terms of the least impact on peoples’ wellbeing, security and ethics has been on the increase in the world. Pollution and Carbon Emissions-- Kenya has recently placed a ban on single use plastic carrier bags. Kenya also has regulations governing environmental protection and curbing of emissions.

LEGAL

The business will have to be registered to operate therefore we will need a business permit and a premises to carry out our courier business. This will require renting an office, medium sized for a start to save on rent charges.

Minimum wage laws-The Kenyan government sets the minimum wage for employees.

Health and Safety laws-Laws exist in Kenya that aim to protect workers from toxic work environments and protecting of dignity of the workers.

Environmental Regulation- Kenya has recently placed a ban on single use plastic carrier bags. Kenya also has regulations governing environmental protection and curbing of emissions. Labor Laws- There are laws governing the employment of workers on contractual terms.

SWOT ANALYSIS

These are the company’s internal (Strengths and Weaknesses) as well as external (Opportunities and Threats) factors relevant for this plan.

## Strengths

* Educated founding members
* Flexible workforce.
* Available starting equipment (laptops etc.)
* Commitment to Vision.
* Relatively small startup capital needed.
* Free software libraries.
* Little space required.
* Available mentorship and peer advice.
* Little manpower needed at the start.
* No vehicle is needed.
* Diversity in the workforce.
* No need for offices.
* Vast income generation avenues.
* Available companies to learn from(e.g. Little, Uber)
* We are young and energetic.

## Weaknesses

* Unavailable capital.
* Little experience in business.
* Little connection with the market.
* We are yet to be challenged.
* Absence of experienced leadership./weak mentorship.
* Lack of partnerships.
* No marketing strategy.
* No legal knowledge.
* Individualism.

## Opportunities

* Increased mobile penetration.
* Pervasive use of mobile money.
* Increased internet availability.
* Many motorists available.
* Ripe markets since transporters are looking to increasing their services and revenue streams.
* Slow delivery by competitors.
* Lack of innovation by competitors.
* Favorable government legislation.
* Growing economy.
* ICT startup goodwill.
* Regional Economic integration
* Presence of many partners in the form of transportation companies.

## Threats

* Road Accidents.
* Traffic jams.
* Poor road network in some places.
* High warehouse cost.
* Stiff Competition.
* High Interest rates on bank loans.
* Competition from government sponsored parastatal.
* Long government procedures on forming new companies.
* Takes time to grow trust and establish the brand.
* Crime and the resultant bad press.
* Insurance issues.

**ParcelFeed™**

Peter

[Type the company name]

**Convenient . Fast . Secure**

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# Chapter 1: Introduction

## Background

ParcelFeed.com was conceived in September 2017 by Peter Kahenya, Stephen Mwenje, Alan Barua and Kelvin Wamuiga during a brainstorming session for a school assignment. This was among many ideas that were under consideration but after observing the environment and lots of discussion, the idea was selected as the winning idea. The idea was to have a platform where drivers with prescheduled trips in a given direction can pick up the items to deliver to the warehouse or the recipient. However, the idea has since been reviewed and examined until the final version which allows any driver to become a transporter. The current parcel services demand that the customer must move to the company’s office to deliver the item to be sent. The item is then accumulated and sent. This process can take a long time before the item reaches its destination. As such, there are inefficiencies that exist including the travel distance that the customer has to cover, waiting time for the item to be delivered, loss of parcels and the associated stress. Drawing mainly from how cab hailing services work, we thought that it would be worthwhile if any motorist was allowed to be a transporter and hence there would be a platform that would link customers with the pool of transporters allowing the customer to “hail a transporter” right from their location and to track their driver’s location hence know the progress of the delivery. The organization is so far at start-up stage.

## Organizational Structure

The company has a C.E.O who is the team leader as well as a team of directors and top management executives who oversee the different departments.

### Departments

* Company board with representatives from each department- Headed by C.E.O
* Information Technology Department-headed by Chief Technology Officer (C.T.O).
* Finance Department-headed by Chief Finance Officer (C.F.O).
* Marketing Department- Head of Marketing.

## Planning Context

ParcelFeed.com is at the infancy and has gone through many refinements. However, as it begins to venture into an actual organization, it needs to be prepared for the challenges it will face both within and without. With competition even more stiff and the knowledge that majority of start-ups fail coupled with the fact that nobody knows about us in the market, it is crucial that we go in with a plan to respond to these challenges in order to be successful.

In order to address these issues, the company has to be run with a plan to

* **Attract customers**,
* **Get funding**,
* **Handle competition,**
* **Make a profit,**
* **Grow the market share,**
* **Position itself,**
* **Sell the brand** and
* **Gain partnerships.**

This strategic plan will be useful in guiding these steps in the next five years. It therefore addresses itself to the internal and external environment hand strives to comply with government regulator CCK. The plan will help the company get up and running, gain customers on its way to becoming a household name.

# Chapter 2: Vision, Mission, Core Values

The organization’s direction is guided by the winds of the open, sustainable economy and the values of its founding members, the Kenyan people and the technological community under the following:

## Vision

To become the go-to household name to send any item without hustle, anywhere anytime.

## Mission

To provide efficient, secure and seamless transportation of goods. To make sending of items anywhere pervasive, seamless, and thoughtless through the use of the best technology available.

## Core Values

1. Dialogue and constructive criticism.
2. Efficiency at every step of the process.
3. Equality.
4. Respect for communities, heritage and the environment.
5. Quality customer care.
6. Team spirit and team work.

## Guiding principles

* Efficient delivery and commitment to excellence.
* Professionalism
* Customer engagement and continuous discussions, feedback and involvement.

## Core Services

1. Tracking of goods.
2. Packaging.
3. Quick transport.
4. Software platform and I.T infrastructure for transport companies.

## Strategic Priorities

1. Partnerships with existing bus companies.
2. Marketing and increasing branding awareness.
3. Efficient delivery.
4. Customer support and feedback.

## Planning Assumptions

1. Presence of supportive government legislation and regulation.
2. Stable financial and political environment.
3. Sufficient start-up capital
4. Supportive partners.

# Chapter 3: Strategic Analysis (SWOT)

These are the company’s internal (Strengths and Weaknesses) as well as external (Opportunities and Threats) factors relevant for this plan.

## Strengths

* Educated founding members
* Flexible workforce.
* Available starting equipment (laptops etc.)
* Commitment to Vision.
* Relatively small startup capital needed.
* Free software libraries.
* Little space required.
* Available mentorship and peer advice.
* Little manpower needed at the start.
* No vehicle is needed.
* Diversity in the workforce.
* No need for offices.
* Vast income generation avenues.
* Available companies to learn from(e.g. Little, Uber)
* We are young and energetic.

## Weaknesses

* Unavailable capital.
* Little experience in business.
* Little connection with the market.
* We are yet to be challenged.
* Absence of experienced leadership. /weak mentorship.
* Lack of partnerships.
* No marketing strategy.
* No legal knowledge.
* Individualism.

## Opportunities

* Increased mobile penetration.
* Pervasive use of mobile money.
* Increased internet availability.
* Many motorists available.
* Ripe markets since transporters are looking to increasing their services and revenue streams.
* Slow delivery by competitors.
* Lack of innovation by competitors.
* Favorable government legislation.
* Growing economy.
* ICT startup goodwill.
* Regional Economic integration
* Presence of many partners in the form of transportation companies.

## Threats

* Road Accidents.
* Traffic jams.
* Poor road network in some places.
* High warehouse cost.
* Stiff Competition.
* High Interest rates on bank loans.
* Competition from government sponsored parastatal.
* Long government procedures on forming new companies.
* Takes time to grow trust and establish the brand.
* Crime and the resultant bad press.
* Insurance issues.

# Chapter 4: Strategic Issues, Strategic Objectives, Strategy.

## Strategic Issues

1. Marketing/branding/increasing customer numbers
2. Partnerships.
3. Initial Capital.
4. Leadership/legal/experience issues
5. Team Spirit
6. Insurance and Security

## Marketing/branding/increasing customer numbers

**Strategic Objectives**

* Increase the brand awareness
* Increase customer numbers

## Partnerships

**Strategic Objectives**

* Gain Partnerships with transport and bus companies.

## Initial Capital

* Get funding from trusted invsetors and people with experience from the industry.

## Leadership/legal/experience issues

* Get mentorship from experienced persons

## Team spirit

* Increase collaborations and a sense of cohesion in the institution.

## Security and Insurance

* Involve police in cases of theft and check background of the transporters as well as insurance.

# Chapter 5: Implementation Matrix

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Strategic Objective | Strategy | Strategic Activities | Performance  Indicator | Baseline | Target | Time frame | Responsibility | Cost  Kshs. |
| Increase the brand awareness | Advertisements | On Radio, Social Media, online, roadshows | Trends, Conversations, site traffic and interest | No conversation  At all | Increased interest | 6  months | Marketing team | 1,800,000 |
| Branding | Online, On Packaging containers, logo | Trends, Conversations, site traffic and interest | No conversation  At all | Increased interest | 6  months | Marketing team |
| Increase customer numbers | Referrals for discount and free delivery offers | Offer free delivery,  Royalty points and referrals discount. | Customer Traffic | Low traffic | 100,000 items | 6  months | Marketing team |
| Gain Partnerships with transport and bus companies. | Ambassador/ person to person conversation | Recruit investor from a transport company | Number of partners | 0 | 50 transport companies | 5 years | C.E.O | \_ |
| Investment from transport company C.E.O |
| Get funding from trusted investors and people with experience from the industry. | Government grants | Pitch to Venture Capitalists | Amount of runway available | 0 | Kshs. 5,000,000 | 5 yrs. | C.E.O | \_ |
| Personal contribution |
| Commercial Loan | Apply for loans and grants from Commercial bank and governments |
| Angel Investors |
| Get mentorship from experienced persons | Partner with experienced industry leaders | Pitching to Investors. | Increase in confidence by Investors in the leadership of the company | Little Confidence | High Confidence | 5 yrs. | C.E.O | \_ |
| Open to experienced C.E.O in the future. | Hire legal volunteers. |
| Recruit Lawyer in the future | Observe already established organizations |
| Increase collaborations and a sense of cohesion in the institution. | Increase team spirit | Workshops | Improved communication and engagement | Little | Cohesive collaborative environment | 5 yrs. | C.E.O | 50,000 |
| Benchmarking |
| Outing |
| Involve police in cases of theft and check background of the transporters as well as insurance. | Monitor Driver behavior | Actively seek details of the driver | Increased confidence in the services of the company | Some level of confidence | Increased confidence in the services of the company | 5 yrs. | Board | 50,000 |
| Insurance |
| Cyber security |
| Vetting drivers background |
| Drivers to deposit some insurance cash |

# Chapter 6: Financial Implications

ParcelFeed expects initial seed funding of Kshs. 5,000,000. The funding will be obtained through the following means.

1. Investor funding Kshs. 3,000,000 in exchange for 10% equity
2. Commercial Loan Kshs. 1,000,000.
3. Government grants Kshs. 1,000,000 / Personal Investment Kshs. 1,000,000.

Breakdown Projections

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item** | **2018** | **2019** | **2020** | **2021** | **2022** |
| Domain Name Registration | 2,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Legal Fees(Company name, Business Permit et al) | 57,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Website Hosting Fees | 5,000 | 6,000 | 7,000 | 8,000 | 10,000 |
| IT Equipment(2 Office PC, 2 scanning tablets | 100,000 | 30,000 | 30,000 | 40,000 | 20,000 |
| Internet | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Marketing | 200,000 | 200,000 | 300,000 | 500,000 | 600,000 |
| Warehouse renting | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Labor(Salaries) | 200,000 | 300,000 | 300,000 | 400,000 | 500,000 |

# Chapter 7: Monitoring and Evaluation

The company will create annual work plans derived from the Strategic plan. Monitoring of processes included in the annual work plan will be done continuously throughout the year. This will be done through the establishment of a committee which will be tasked with obtaining feedback from customers where necessary. The committee will also interview the workers and evaluate their professionalism.

Monthly review of the company’s performance which will include

* Financial Auditing
* ICT Auditing

Monitoring and evaluation committee shall use the key performance indicators to evaluate whether the strategy is on track.

This strategic plan is open to annual review.

# Chapter 8: Conclusion, Committee members

## Conclusion

This strategic plan was developed to lift the company from the ground to a working organization with the hope that there will be adherence and continuous revision as well as ownership of the document.

## Committee

The strategic plan was developed by:

* Kelvin Wamuiga- Marketing
* Peter Kahenya- C.E.O
* Alan Barua- C.T.O
* Stephen Mwenje-C.F.O

**ParcelFeed™**

The ParcelFeed Company was formed after realizing that there is need in the market for parcel services that link customers and transporters allowing the transportation process to be tracked by customers and ensure seamless transport.

Peter

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# Executive Summary

## Problem

The courier industry is dogged by a myriad of issues including:

1. Slow parcel services.
2. Insecure parcel services.
3. Fragmented parcel services industry.
4. Low adoption of new and efficient technology
5. Most parcel services are built as augmentation of human transport.
6. No on-location pick-up.
7. Prestigious services are very expensive.
8. All these companies have to have their own vehicles.

## Solution

ParcelFeed will be formed and offer a platform to link customers and transporters allowing customers to send and track their item’s location and allowing any vehicle operator to become a transporter.

A customer simply has to take a photo of the item they want to send using the app and then the nearest transporter is dispatched to them. The driver then comes with ParcelFeed specific packaging and a QR sticker and places the item carefully in the container and attaches the sticker. The driver then using the ParcelFeed app has to take a scan of the QR code allowing his phone to be tracked. The customer then scans the QR code as well and by so doing is able to track the driver’s location.

We believe that this system will be fast, secure and stress free for the customer. However, to mitigate theft of the item by the driver, ParcelFeed will demand from the driver a guarantee deposit of amount not less than the maximum value of the item that they can carry.

A customer wanting to send a parcel will first register into the system and there they can take a photo of their item and then the system contacts a nearby collection person who is a taxi person or bodaboda with space in their vehicle. Once the vehicle arrives, the person will now pay the cost via mobile money. The collection person then provides packaging material and then provides a sticker with a QR code which both the customer and the collection person scan and the initial amount is deducted from the customer's deposit. The taxi person then carries the item with their phone GPS switched on hence the customer can track the driver through Maps. Once the item arrives in our offices, the item is scanned and the track transferred to us and the item left with us. We then accumulate the items we want to send to a particular location and negotiate with a particular transportation company for a vehicle of that route and then send the items with them. The driver of that vehicle has to scan the items and then the customer will track that driver’s phone on maps. Once the item arrives at the destination, the item is scanned again before it is offloaded. The price for the item is then deducted. The area cab can then transport the item each time broadcasting their whereabouts to the customer. Once the receiver scans the QR code of the package, the final deduction is made from the account.

## Competition

1. **Sendyit** is a courier service provider in Nairobi Kenya which hires and brands motorbike operators and other vehicle operators to deliver goods and small items within the Nairobi business district.
2. **Posta Courier** is a government owned letter and postal service Corporation with a wing that offers parcel services.
3. **EasyCoach Mololine et al parcel services.** These transport companies have side parcel service wings.
4. **FedEx.** Prestigious global courier service provider
5. **Others-Wells Fargo Courier Limited, DHL, Sky net Worldwide,G4S, UPS**

## Financial Highlights

**Projected financial measures**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **2018** | **2019** | **2020** | **2021** |
| **Number of trips** | **50000** | **150000** | **400000** | **800000** |
| **Revenue(Kshs.)** | **1,100,000** | **3,500,000** | **8,000,000** | **20,000,000** |
| **Cost(Kshs.)** | **5,000,000** | **4,000,000** | **6,000,000** | **10,000,000** |
| **Profit** | **-3,900,000** | **-500,000** | **2,000,000** | **10,000,000** |

# Business Overview/Company Overview

ParcelFeed intends to create a platform that will link anyone who wants to transport an item to a network of outsourced transporters and allowing the customers to track their item’s location. This will offer the convenience of picking the item from the customer’s exact location and transporting the item to the exact destination and tracking the item’s location using GPS of the transporter. We will also allow any vehicle operator to link up to the network and get a chance to add to the services that they provide. By increasing the number of transporters on call, the intention is to reduce the waiting time before pick up by recommending and dispatching the nearest transporter. ParcelFeed will become the go-to platform to send your item with from point to point without the added stress of locating where the item is located. Company revenues will be generated through payment when the item is transported through the commission after remitting the rest to the actual contactor. The company will develop and market its own platform and network.

ParcelFeed is a new Company that will create a platform to link Senders and transporters and receives and handles the tracking and exchange of hands of the item between transporters.

We will initially focus on

1. Platform
2. Marketing the idea to transporters
3. Handling the goods through small warehouses in Nairobi, Kisumu, Mombasa and Nakuru towns.

As it grows, we intend to expand to other counties in Kenya and license the platform software to other transporter companies and increase the number of transport companies linked to us.

It will be created as a Kenyan Company owned by the principal founders with equity to investors.

The legals of its formation are not yet fully established. Initially HQ and warehouse will be near a bus station in Nairobi in order to gain connections.

## Mission

To provide efficient, secure and seamless transportation of goods. To make sending of items anywhere pervasive, seamless, and thoughtless through the use of the best technology available.

## Main Financial Measures (Projections)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2017 | 2018 | 2019 | 2020 |
| Cash | 500,000 | 600,000 | 700,000 | 1,000,000 |
| Sales revenue | 400,000 | 500,000 | 650,000 | 870,000 |
| Net Profit for financial year | -100,000 | -50,000 | 0.00 | 100,000 |
| Investor equity | 100,000 | 159,038 | 349,216 | 500,000 |
| Return On Equity per year | -100.00% | 48.1% | 60.2% | 77% |

# Products and Services Offered

* **Packaging**
* **Software platform**
* **Security**
* **Tracking**
* **Speedy delivery**

## Pricing and Sales

ParcelFeed will price each transportation according to the value, size, weight and distance. It will also offer branded packaging.

Cost will be Kshs 35 per 1000 value item per 1KG per 10km.

**Annual Sales Projections**

Sales revenue (USD)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2017 | 2018 | 2019 | 2020 |
| Items sent | 100,000 | 300,000 | 500,000 | 1000,000 |
| Cost/item | Ksh35 | 35 | 35 | 35 |
| Total revenue | 3,500,000 | 10,500,000 | 17,500,000 | 35,000,000 |

**Break-even analysis**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2017 | 2018 | 2019 | 2020 | 2021 |
| Sales revenue | 100,000 | 1,100,000 | 3,500,000 | 8,000,000 | 20,000,000 |
| Variable expenses, total | 100,000 | 200,000 | 150,000 | 200,000 | 500,000 |
| Labor cost | 100,000 | 200,000 | 500,000 | 500,000 | 600,000 |
| Other Operating expenses | 50,000 | 100,000 | 100,000 | 150,000 | 50,000 |
| Financial expenses | 100,000 | 100,000 | 100,000 | 100,000 | 150,000 |
| Fixed expenses, total | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Gross Margin | 250,000 | 200,000 | 500,000 | 600,000 | 4,000,000 |
| Break-even analysis | -300,000 | -400,000 | -300,000 | 1,000,000 | 3,500,000 |
| Sales revenue above break-even | -100,000 | -85,000 | -100,000 | 500,000 | 3,500,000 |

**Graph**

Spending costs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item** | **2018** | **2019** | **2020** | **2021** | **2022** |
| Domain Name Registration | 2,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Legal Fees(Company name, Business Permit et al) | 57,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Website Hosting Fees | 5,000 | 6,000 | 7,000 | 8,000 | 10,000 |
| IT Equipment(2 Office PC, 2 scanning tablets | 100,000 | 30,000 | 30,000 | 40,000 | 20,000 |
| Internet | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Marketing | 200,000 | 200,000 | 300,000 | 500,000 | 600,000 |
| Warehouse renting | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Labor(Salaries) | 200,000 | 300,000 | 300,000 | 400,000 | 500,000 |

# Marketing Strategy

**Target Market**

ParcelFeed will offer both business-facing and consumer-facing services.

Rural areas

ParcelFeed is targeting customers in rural areas that frequently send items to their kin in urban areas and vice versa.

Intracity/Intra-county

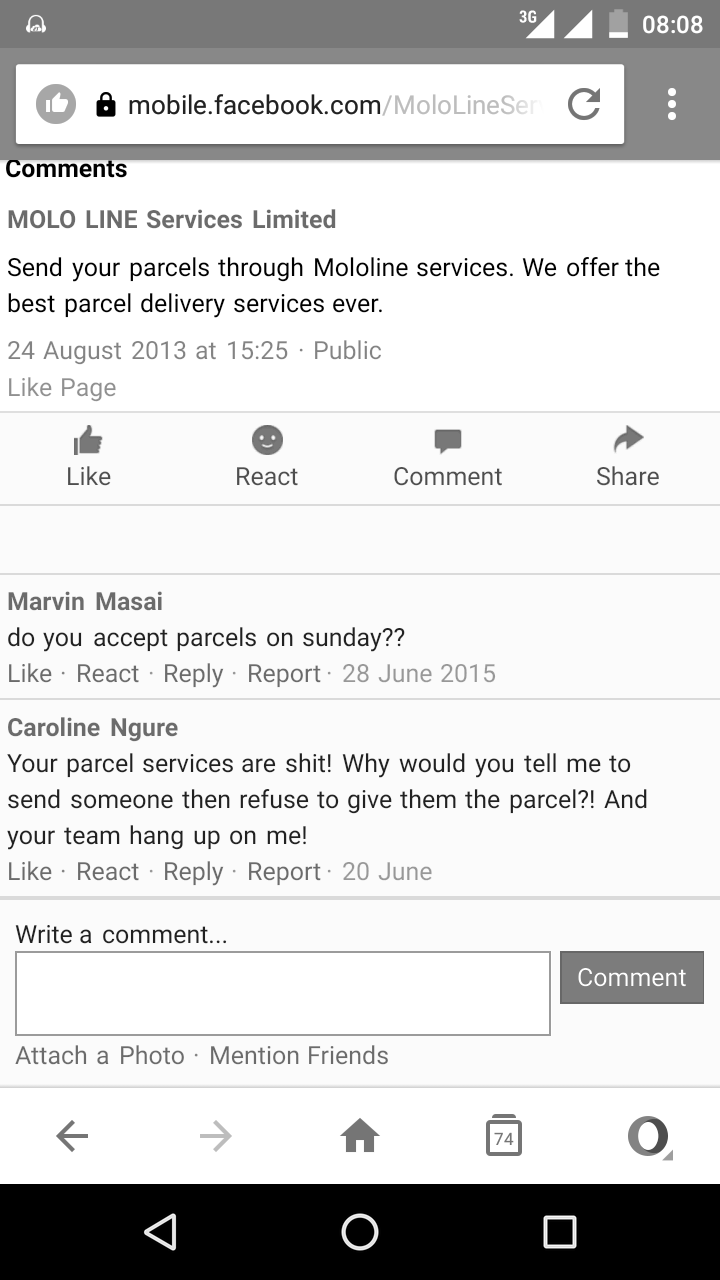
Within a city or county, ParcelFeed has several targets

1. Customers who send small items e.g. documents, clothing etc. to each other within a city. ParcelFeed is offering a quick and secure on location pick-up and delivery.
2. Businesses which send documents and other items to each other and to customers.

E-commerce companies

There has recently been a surge in e-commerce companies established in Kenya e.g. Jumia, Kilimall, masoko.com, even customer to customer auctioning e.g. Olx.co.ke. All of these companies worries about how to deliver their items to the customers. It is now necessary to establish a parallel delivery service with full range fleet as part of the e-commerce platform. However, ParcelFeed will target this market by linking these budding e-commerce firms to the largest collection of transporters with the widest coverage offering the fastest delivery than is currently available.

**Competition**



1. **Sendyit** is a courier service provider in Nairobi Kenya which hires and brands motorbike operators and other vehicle operators to deliver goods and small items within the Nairobi business district.
2. **Posta Courier** is a government owned letter and postal service Corporation with a wing that offers parcel services.
3. **EasyCoach Mololine et al parcel services.** These transport companies have side parcel service wings.
4. **FedEx.** Prestigious global courier service provider
5. **Others-Wells Fargo Courier Limited, DHL, Sky net Worldwide,G4S, UPS**
6. Transport companies (e.g. ………) ParcelFeed will approach them with more customers.
7. Courier companies (expensive) hence ParcelFeed will not compete in the space.
8. New Comers e.g. Sendyit.co.ke. These companies are expensive since they must own their vehicles or the driver.
9. No transport at all (We will market and make sending an item completely ubiquitous).

## Our Advantages

ParcelFeed will focus on people with relatives in rural areas and transporting companies as well as anyone with a public service vehicle or taxi or motorbike or bodaboda in its locations.

Later, we will focus on e-commerce sites as a new opportunity

Industry is pulverized and fragmented hence ParcelFeed will sell itself as the real parcel service.

The market is full of companies like us but each one depends on a transporter exclusively working for them or owning the vehicle themselves. However, ParcelFeed will not own any vehicle instead will have their drivers free to pursue other ventures

# Management and Staffing

Management will be the founders but as we grow, we expect more experienced managers

Staff will also be the founders but as we grow, more hared hands at the warehouse will be needed.

# Financial Projections/Financial plan

The following sections outline our financial plan:

• Required Cost of Start-Up

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item** | **2018** | **2019** | **2020** | **2021** | **2022** |
| Domain Name Registration | 2,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Legal Fees(Company name, Business Permit et al) | 57,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Website Hosting Fees | 5,000 | 6,000 | 7,000 | 8,000 | 10,000 |
| IT Equipment(2 Office PC, 2 scanning tablets | 100,000 | 30,000 | 30,000 | 40,000 | 20,000 |
| Internet | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Marketing | 200,000 | 200,000 | 300,000 | 500,000 | 600,000 |
| Warehouse renting | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Labor(Salaries) | 200,000 | 300,000 | 300,000 | 400,000 | 500,000 |

ParcelFeed™

Organizational Structure

We will employ hybrid of Team structure and bureaucracy.

Members from different departments who work together as needed to solve problems and explore opportunities.

Reasons

* Departmental barriers are broken and decision making decentralized to work teams.
* Because our business is small.
* Structure is flexible.
* This structure is most suitable for ICT companies since teams can come together as Projects working group.

**Cooperate Structure**

* Chief Executive Officer(C.E.O)- Njoki Peter Kahenya

Peter Kahenya is the C.E.O and originator/founder of the startup and responsible for workforce.

**Roles**

1. Peter Kahenya is the leader and the face of the company to investors and other companies.
2. Coordination of the company activities and the different departments.
3. Delegating the tasks and new responsibilities to the top leadership of the different departments.
4. Supervision of the leaders of these departments.
5. Heading strategic and business planning.
6. Vetting new employees.

* Chief Technology Officer(C.T.O)-Allan Barua

Allan Barua will be in charge of the technology and the Information system.

**Roles**

1. Making the software platform
2. Maintaining the information system.
3. Handling and raising the online customer feedback to other departments.
4. Database Administration.
5. Investigating the driver background.

* Chief Finance Officer(C.F.O)-Steven Mwenje

Steven Mwenje will be in charge of the company’s finances.

**Roles**

1. Handling the company balance sheet.
2. Budgeting.
3. Salaries management and negotiations.
4. Auditing the company’s financial resources and assets.
5. Ensuring the company complies with the financial aspects of the strategic and business plans as well as government regulation on financial management.

* Head Of Marketing-Kelvin Wamuiga

Kelvin Wamuiga will be the face of the company to customers and the general public.

**Roles**

1. Marketing the service to customers.
2. Marketing the service to transporters/drivers.
3. Advertising.
4. Handling the company’s public relations.
5. Coordinating team building activities.

Bureaucracy

The bureaucracy will be useful when it comes to chain of command in meeting investors and corporate relations.

## Organizational Structure

The company has a C.E.O who is the team leader as well as a team of directors and top management executives who oversee the different departments.

### Departments

* Company board with representatives from each department- Headed by C.E.O
* Information Technology Department-headed by Chief Technology Officer (C.T.O).
* Finance Department-headed by Chief Finance Officer (C.F.O).
* Marketing Department- Head of Marketing.

Board

**C.E.O**

**C.F.O**

**C.M.O**

**C.T.O**