



REPUBLIC OF NAMIBIA

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## MINISTRY OF MINES AND ENERGY

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### **APPLICANT GUIDELINES FOR PREPARING A COMPREHENSIVE BUSINESS PLAN TO ACCOMPANY A NEW APPLICATION FOR A LICENSE TO OPERATE A FUEL WHOLESALE, FUEL DISTRIBUTION OR FUEL SERVICE STATION IN NAMIBIA**

#### **1. Introduction**

The objective of this document is to serve as a guideline for clients when preparing a comprehensive business plan to accompany a new application for a license to operate a fuel wholesale, fuel distribution or fuel service station in Namibia. In order to make better informed decisions, the Ministry of Mines and Energy is empowered by the provisions of the Petroleum Products and Energy Act of 1990 to request for any additional information from clients.

#### **2. THE BUSINESS PLAN**

A Business Plan is a document in which a business opportunity, or a business already under way, is identified, described and analysed, examining its technical, economic and financial feasibility. The Plan develops all of the procedures and strategies necessary in order to convert the business opportunity into an actual business project. It is an indispensable tool in order to start up a business project, independently of the size of the project and/or of the amount of business experience of the entrepreneur. It provides an answer to simple questions about a new business or a business already under way. **The purpose of a Business Plan is to**

**identify, describe and analyze a business opportunity and/or a business already under way, examining its technical, economic and financial feasibility.** Moreover, it should serve as a business card for introducing the business to others: banks, investors, institutions, **public bodies** or any other agent involved, when it comes time to seek cooperation or financial support of any kind.

### **3. REQUIRED INFORMATION**

In accordance with the powers granted to the Minister under the Petroleum Products and Energy Act of 1990, all prospective applicants for new licenses in the downstream petroleum sector will be required to provide the following information to the Ministry **in the form of a comprehensive business plan:**

#### **(a) ANALYSIS OF THE PRESENT SITUATION**

- What is the sector like?
- What is the present situation of the sector and the future outlook?
- Who are the competition in the sector in which the company participates and what is the degree of rivalry among competitors?
- Who are the potential competitors?
- What are the main factors that determine the success or failure of a competitor in the sector?
- In what way is the business different from the business of competitors?
- Identify weaknesses, threats, strengths and opportunities of the business.
- Is there a target market for this business?

#### **(b) BUSINESS PLAN OBJECTIVES**

- What are the reasons for investing in this business?
- What does the business consist of?
- What are the goods or services that are going to be offered?

- What strategy is going to be followed in order to maintain a competitive advantage over time; specialization, differentiation or competition in costs?
- What areas or processes are critical for the development of the business?
- What areas are supports for the critical processes of the business?
- What are the perspectives on the evolution of the business?

**(c) STRATEGIC PLAN**

- What is the mission of the company?
- How are the strategic lines of the project going to unfold as long-term objectives?
- Have specific action plans been defined for achieving the long-term objectives?
- Have resources been allocated to such plans?
- How is the marketing policy structured?
- Have the entrepreneur considered issues related to the pricing framework, location, product, promotional aspects?
- How many employees comprise the staff?
- What are the personnel management policies?
- Have the business planned for the financial needs that could arise in the long term?

**(d) FINANCIAL PLAN**

**The purpose of the financial plan is to analyse the profitability and economic feasibility of the business project.** This analysis is the quantification of the strategy defined by the entrepreneur and will enable him or her to analyse the economic impact of the decision making. A full analysis includes a projection for the time horizon considered in the Business Plan. The financial plan shall be expected to include:

- Income and Expenditure Projections

- Investment Budget and Depreciation Schedule
- Profit and Loss Account
- Borrowing Requirements
- Balance Sheet
- Cash Flow
- Net Present Value

#### 4. CONCLUSION

The Ministry of Mines and Energy expects all **applicants to demonstrate a strong business case on how the proposed wholesale, distribution or retail business will be economically viable**. The Ministry might call potential applicants to make a presentation about the business to the Licensing Committee when required.

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