



Globe Cab Services Ltd

Company name: Globe Cab Services Ltd

Hometown and country of company: Abuja, Nigeria

Owner of company: Jonathan I. Hussaini

Number of full-time employees¹: 20 Full Time Staff

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Company presentation

Globe Cab Services Ltd is a transport & logistic company. We provide transportation and logistics services to companies and individuals.

Our strategy is to capture the hearts of our clients using well trained and dedicated drivers in well maintained vehicles to not only facilitate the movement of our clients from place to place, but serve them in ways that contribute to their success and wellbeing in particular and to the wellbeing of the Country, at large.

Vision/Mission

Our vision is to become the leading and most dependable transport company amongst:

- I. Members of the International NGO community within Nigeria
- II. Individuals and tourists
- III. Government departments & agencies

¹ Full-time - at least 35 hours/week. Sum up everyone that get salaries from the company where e.g. two persons working half-time is regarded as one full-time employee.



Our Mission is to contribute to the success of our clients through the provision of unparalleled professional transport and logistic services.

Main revenue streams

1. Vehicle rentals (vehicle with driver)
2. Customers and conference logistic fees
3. Maintenance Workshop (Starting from year 2016)

12-36 months objectives

Over the next three years, we plan to grow our current fleet of sixteen (16) vehicles to a fleet of fifty (50) vehicles by December 2018. Our objective is to multiply our current monthly income from \$24,783¹ to \$99,132.

We are also hoping to provide full time employment to 60 young Nigerians with an annual average income of \$5,947 by December 2018.

Finally we plan to start carrying out minimal maintenance needs on our vehicle to cut cost for maintenance that we pay and by 2017 set up a fully functional maintenance workshop that will cater for the maintenance needs of our fleet and that of other International organizations as well as individuals.

Our Mile Stones:

- I. **By January 2016-** Start setting aside 5% of gross income for the purpose of financing future fleet expansions
- II. **By December 2016-** To have 30 vehicles in the fleet and monthly income of \$59, 479. Also by this time employ 40 full time staff
- III. **By December 2016-** Start carrying out minimal vehicle maintenance on our vehicles such as;
 - a. Regular oil Change and service including replacements of oil filters.
 - b. Change of tires and brake pads
 - c. Carry out wheel balancing and alignment
 - d. Air pressure for tires and
 - e. Car wash

Also within the year start investing in the purchase of wheel balancing & alignment machine, vehicle lifters, air pressure machine, vehicle maintenance diagnosing machine and car wash equipment's



- IV. **By December 2017-** To have 40 vehicles and monthly income of \$79,306. Also by this time employ 50 full time staff.
- V. **By December 2018-** To have 50 vehicles in the fleet and monthly income of \$99,132. Also by this time employ 60 full time staff

Growth Strategy

Implementing our mission statement on a daily has greatly contributed to our success and growth as a company. We are consistently being referred by our clients because we place value not only on driving but every other logistics around driving a vehicle.

We plan to continue and if possible intensify the implementation of our mission statement with our current clients. We also plan to start expanding our service provision to individuals in Abuja city and beyond because that market is very big given Nigeria’s population and in the long run very sustainable.

Find below a 3 year projection for our business and expansion:

Year	2016 (\$)	2017 (\$)	2018 (\$)
Revenue	699, 600	962,867	1,283,501
Cost of Sales	162,180	223,210	297,539
Gross Margin	537,420	739,675	985,962
Payroll Expenses	197,340	246,675	320,678
Operating Expenses	24,307	24,620	34,688
Depreciation & Interest Expenses	162,188	174,465	189,994
Net Profit	153,585	293,897	440,603

After 2016, average annual fleet expansion of \$172,000 will be financed from revenues

How does your business contribute to a flourishing local community?



Globe Cab Services currently provides full time employment for 20 Nigerians (including myself). Our operations also contributes to the businesses of over 10 other individuals and groups who are our service providers – mechanics, parts dealers, lawyers, accountants; with a potential to do more. Many of our clients are international non-profit organisations involved in conflict resolution, providing humanitarian aids to internally displaced persons. The individual clients are mostly business people who are contributing to the wellbeing of their families and communities and Nigeria as a whole.

Globe Cabs Services is also providing mentorship to young graduates who aspire to venture into business. One of our drivers, Joshua Tanko, is a graduate of engineering and is being mentored to start up a similar business in the next 12 months. We see our success in Globe Cabs as a proud example to the government of Nigeria and to the next generation of the possibilities of entrepreneurship as a veritable solution to the growing youth unemployment in Nigeria.

Globe cabs Services is a responsible corporate citizen, paying all due taxes and rates as and when due.

Environmental sustainability

Our commitment in Globe Cabs to using well trained drivers in maintained vehicles is born out of our concern for the environment: That while doing business, we will be careful of the carbon emission levels of our vehicles; that our drivers will not participate in environmental pollution in any way (our vehicles carry a waste bin where all waste materials are properly collected and disposed of appropriately)

Missional

Globe Cabs Services offers its services to clients at a fair price that enables us to cover all our operational and administrative costs as well as provide a fair return on investment. In 2014, our EBIT was 18% of turnover. This was mostly due to our resort to expensive leases and ad-hoc arrangements with other providers to meet growing clients' needs pushed our interest and operational costs to 23% and 55% of turnover, respectively. With the planned additions (so far of 6 vehicles) to our fleet in 2015, we will increase our EBIT target for 2015 to 35%; 38% in 2016 and 45% in 2017. At these levels of profitability, Globe Cabs Services will remain a going concern perpetually.

Financial performance

Find below a tables showing our 2 years past financial performance and 3 years projections



Year/KPI	2015 (budget)	2014	2013	2012
Revenue	\$297,398	\$162,215	NA	NA ²
EBITDA ³	\$104,089	\$29,114		
Net profit	\$30,515	-\$32,807		

Year/KPI	2016	2017	2018
Revenue	699,600	962,867	1,283,501
EBITDA ⁴	315,773	468,362	630,597
Net profit	153,585	293,897	440,603

CONSOLIDATED SUMMARY BALANCE SHEET

Year/KPI	2014	2013	2012
ASSETS			
Assets (current)			
Cash	\$12,602	-\$56	-\$36
Accounts Receivable	\$10,430	\$6,465	\$10,044
Assets (non-current)			
Motor Vehicles	\$75,937	\$70,429	\$14,152
item 2			
item 3 if applicable			
item 4 if applicable			
item 5 if applicable			

² NA: The accounts for 2012 and 2013 are being redone following some observed errors.

³ **EBITDA** (*Earnings before interest, taxes, depreciation and amortization*). Optional information, omit if not easily available

⁴ **EBITDA** (*Earnings before interest, taxes, depreciation and amortization*). Optional information, omit if not easily available



Total assets	\$98,969	\$76,838	\$24,160
LIABILITIES AND OWNER'S EQUITY			
Liabilities			
Notes Payable	\$136,183	\$79,820	\$12,625
Accounts Payable	\$2,036	\$3,651	\$6,908
Total liabilities	\$138,219	\$83,471	\$19,533
Owners' equity			
Capital Stock	\$5,091	\$5,091	\$5,091
Retained Earnings	-\$44,341	-\$11,724 ⁵	-\$464
Total owners' equity	-\$39,250	-\$6,633	\$4,627
Total	\$98,969	\$76,838	\$24,160

Year/KPI	2016	2017	2018
ASSETS			
Assets (current)			
Cash	\$17,492	\$88,817	\$121,300
Accounts Receivable	\$4,005	\$22,483	\$30,028
Assets (non-current)			
Motor Vehicles	\$252,745	\$333,384	\$460,996
equipment	\$1,000	\$1,500	\$2,000
item 3 if applicable			
item 4 if applicable			
item 5 if applicable			

⁵ Account for 2013 and 2102 being reworked following some observed errors and omissions



Total assets	\$274,241	\$446, 183	\$614,324
LIABILITIES AND OWNER'S EQUITY			
Liabilities			
Notes Payable	\$168,998	\$141,971	\$108,865
Accounts Payable	\$34,780	\$16,251	-
Total liabilities	\$203,778	\$158,222	\$108,865
Owners' equity			
Capital Stock	\$5,091	\$5,091	\$5,091
Retained Earnings	\$65,372	\$282,870	\$500,368
Total owners' equity	\$70,463	\$287,961	\$505,459
Total	\$274,241	\$446,183	\$614,324

Risk Analysis

The number one risk we face in the business is that of accident. Even though we carry out regular and consistent training of our drivers on defensive driving and mercy driving, we cannot train every road user in Nigeria and that is where our problem arises. None of our drivers has been involved in any fatal accidents but some have had a minor accident that has affected the vehicles. In this case we mitigate these risks by comprehensively insuring every vehicle purchased.

Our comprehensive vehicle insurance also covers theft of our vehicle all over Nigeria and we have recently negotiated with the Insurance Company to cover our vehicles in terrorist prone areas.

We also maintain a life insurance policy for every member of our full time staff team. We have not yet used this policy but believe that in cases of personal tragedies and emergencies, the policy will help us manage the problem better. We currently hire 1 extra driver for every five vehicles we have and this is to enable us deploy a replacement in cases of personal emergency for any driver.

Another high risk problem we manage in our business is the issue of corruption, where in most cases staff of the organizations we work for can request we inflate our rental fees to pay them or



lose the opportunity to bid for the contract. In all cases we have faced in the past, we lost the contracts. Our policy on this is straight and simple- 'we do not pay to get jobs'!

The final risk we face in our business is the possibility of a decline in corporate service demand. Even though we currently enjoy the benefit that Nigeria is getting in the eyes of International Humanitarian Organizations as a result of the terrorist activities in the North Eastern part of the country, we don't know how long this situation will last. Our plan in managing this risk is to use the profit we are currently making from corporate client business to develop further the individual client business we have been neglecting. We also plan to start carrying out minimal vehicle maintenance on our vehicles so as to cut cost and in the long run set up a fully functional 'Maintenance Workshop' that will first cater for the needs of our vehicles and then provide maintenance service for corporate organizations and individuals. This workshop will also have as top priority the goal of not putting oil to the ground or practice any form of environmental pollution as is the common practice with most maintenance workshops in Nigeria.

Details of the loan

Size of requested loan: \$50,000

Target payback time: 3 Years

Target annual interest rate: 20% (on outstanding loan balance)

Reasons for applying for a loan: For the purchase of four (4) vehicles in Globe Cab fleet

We currently have fourteen (16) vehicles in our fleet and we provide transport services to six major International non-profit organizations in Nigeria. As a result, we are always short of vehicles to meet the demand of our customers. These additional four vehicles will go a long way in providing the additional capacity we need and increase our income as well.

ⁱ See www.Oanda.com/currency/live.exchange.rates