



Establishment of Standard Dialysis and Kidney Health Centers in Tanzania

A business Plan submitted to Tanzania Investment Centre for Application of Certificate of
Incentives

ALSHIFA LIMITED

1. Industry Overview

Kidney dialysis center falls under the Dialysis Center industry and players in this industry include medical facilities that provide inpatient and outpatient kidney or renal dialysis services and other related treatment and management.

If you are a close observer of happenings in the dialysis centers industry especially in Tanzania, you will notice that dialysis centers are expected to perform well over the five years to 2028, largely due to inelastic demand for their services.

The only substitute available for dialysis treatment is a kidney transplant, which typically entails many years of waiting and uncertainty. The industry grew significantly during the period because of the introduction of the National Health Insurance Fund (NHIF), which expanded healthcare coverage in Tanzania.

However, the increase in government payouts is also expected to dampen industry profit, as payments from the government typically take longer to receive. Over the five years to 2023, it is estimated that industry revenue will expand due to rising federal funding for Medicare and Medicaid and an aging population.

A recent report published shows that Dialysis Centers in Tanzania are in the growth stage of their industry life cycle. Over the 10 years to 2023, industry value added is expected to grow.

One of the primary factors influencing this industry's expanding share of the overall economy is related to regulatory overhaul in the healthcare industry. As more patients gain access to health insurance, demand for the industry's services is expected to increase. Furthermore, the US population is aging, and as people age, risk of kidney disease increases; kidney disease is often caused by diabetes and hypertension which are sometimes age related.

The respective average unit cost per hemodialysis in Tanzania is 176 US\$. Consequently, an average patient requiring three dialyses per week (i.e. 156 dialyses per year) will cause annual costs of 27,440 US\$. If you are considering starting your own kidney dialysis center in the Tanzania, then you should try and work around the industry barriers. The truth is that the barriers to entry in the Dialysis Centers industry are high due to the significant regulatory requirements and the experience and strength of incumbents.

It is compulsory for any investor who is looking towards starting a kidney dialysis center to meet extensive Central and local government laws and regulations. These regulations relate to the adequacy of medical care, equipment, personnel, operating policies and procedures.

Regulations also involve maintaining adequate records, preventing fires, setting rates and complying with building codes and environmental protection laws. These regulations make it difficult and costly for aspiring entrepreneurs to enter the industry.

Apart from the fact that Tanzania is home to loads of people with kidney related diseases, some of the factors that encourage entrepreneurs to start their own kidney dialysis center could be that the business can easily get support from the government at all levels and the business is indeed a profitable venture despite the legislature governing the industry.

Lastly, this line of business is not going into extinction anytime soon and no matter the location you choose to locate your kidney dialysis center, with the right facility and publicity, you are sure not going to lack patients.

2. Executive Summary

Alshifa Limited is a Tanzania registered and licensed kidney dialysis and kidney health center that will be located at Plot No. 265 Block B Kibaha Coast Region in Tanzania .We have been able to lockdown a standard facility that is located in the heart of town at Plot No. 40 Mikocheni B Kinondoni DSM which is already in operation.

Main Services

Alshifa Limited is in business to offer healthcare treatments such as outpatient hemodialysis, hospital inpatient hemodialysis, peritoneal dialysis and home-based hemodialysis, Kidney transplantation amongst other kidneys related care. We are well trained, equipped and positioned to offer dialysis and kidney related treatments.

We are in the industry to deliver excellent dialysis care services to all those who will patronize our services. We will also comply with the laws and health regulations in Tanzania.

Our dialysis center will be open round the clock to attend to clients and we will also offer home services as requested by our clients. Our work force will be trained to operate within the framework of our organization's corporate culture. We have put structure in place that will enable us accept insurance payments as well as private – party payments from our clients.

Alshifa Limited will ensure that all our clients are given first class treatment whenever they visit our dialysis center. We have a CRM software that will enable us manage a one on one relationship with our customers (patients) no matter how large they are.

Alshifa Limited is a business that is owned and managed by Khalid Elawad Abdalla and other partners with robust experience and qualifications as it relates to treating kidney related ailments.

3. Our Products and Services

Life Crest® Dialysis Center has the goal of becoming a leader in the industry. We will work hard to help people with kidney ailments carry out dialysis. These are the health care services that Alshifa Limited will be offering;

- Outpatient hemodialysis
- Hospital inpatient hemodialysis
- Peritoneal dialysis
- Home-based hemodialysis
- Kidney Transplantation

4. Our Mission and Vision Statement

- Our vision is to become the number one choice when it comes to providing dialysis and treatment for people with kidney related ailments in the whole of Tanzania and also to be amongst the top 10 dialysis centers in Tanzania.
- Our mission is to ensure that we do all we can to make people with kidney related ailments live normal lives. Our corporate culture is wrapped around our mission statement and vision.

Our Business Structure

From the outset, we have decided to recruit only qualified professionals to man various job positions in our organization. We are quite aware of the rules and regulations governing the specialist hospitals which is why we decided to recruit only experienced and qualified employees. We hope to leverage on their expertise to build our dialysis center to be well accepted in Dar es Salaam – Tanzania and the whole of the Tanzania.

When hiring, we will look out for applicants that are not just qualified and experienced, but honest, customer centric and are ready to work to help us build a prosperous business that will benefit all the stakeholders. In fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of ten years or more.

These are the positions that will be available at Alshifa Limited;

- Chief Medical Director/Chief Executive Officer
- Doctor
- Pharmacist
- Phlebotomist

- Nurses/Nurse's Aides
- Information Technologist (Contract)
- Admin and Human Resources Manager
- Sales and Marketing Executive
- Accountant/Cashier
- Customer Care Executive
- Cleaners

5. Job Roles and Responsibilities

Chief Medical Director / Chief Executive Officer:

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results and developing incentives
- Accountable for fixing prices and signing business deals
- Responsible for providing direction for the business
- Makes, connects, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization

Doctor

- Responsible for performing outpatient hemodialysis
- Handles hospital inpatient hemodialysis
- Accountable carrying out peritoneal dialysis
- Responsible for home-based hemodialysis

Phlebotomist

- Collects and tags specimens exactly as outlined in each medical requisition
- Develops effective collection techniques as they relate to groups such as pediatric and geriatric patients
- Properly package each specimen and ensure that every specimen is delivered to the laboratory on time
- Maintains an organized and clean work area based on state health laws

Pharmacist:

- Accountable for processing prescriptions and dispensing medication

- Responsible for ordering, selling and controlling medicines
- Handles any other duty as assigned by the Medical Director.

Nurses/Nurse's Aides

- Responsible for managing our patients
- Responsible for offering medication management services
- Assists the doctors and lab technicians in treating patients and carrying out dialysis

Sales and Marketing Manager

- Responsible for handling business research, market surveys and feasibility studies for clients
- Creates new markets cum businesses for the organization
- Empower and motivates the sales team to meet and surpass agreed targets

Accountant/Cashier:

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports
- Responsible for financial forecasting and risks analysis
- Performs cash management, general ledger accounting, and financial reporting for one or more properties.
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization.

Client Service Executive

- Welcomes clients and potential clients by greeting them in person or on the telephone; answering or directing inquiries.
- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides them with a personalized customer service experience of the highest level
- Manages administrative duties assigned by the creative director in an effective and timely manner

Cleaners:

- Responsible for washing and ironing bedsheets and clothes for patients and staff members
- Responsible for cleaning the wards and hospital facility at all times
- Ensures that toiletries and supplies don't run out of stock
- Handles any other duty as assigned by the admin and HR manager.

6. SWOT ANALYSIS

Alshifa Limited is set to become one of the leading dialysis centers in the whole of Tanzania which is why we are willing to take our time to conduct due diligence as it relates to our business. We want our dialysis and kidney health center to be the number one choice for all residents of Dar es Salaam and surrounding regions. We know that if we are going to achieve the goals that we have set for our business, then we must ensure that we build our business on a solid foundation.

Notwithstanding that our Chief Medical Director has a robust experience in the dialysis industry, we still went ahead to hire the services of a business consultant that is specialized in setting up new businesses to help our organization conduct detailed SWOT analysis.

This is the summary of the SWOT analysis that was conducted for Alshifa Limited;

- **Strength:**

Our strength as a company revolves around our access to highly skilled workforce, having a loyal customer base and of course we have adequate understanding of government policies and their implications. We are not ruling out the fact that we have a team of qualified healthcare professionals manning various job positions in our center.

Actually, they are some of the best hands in the whole of Dar es Salaam – Tanzania. Our location, the Business model we will be operating on, opening 24 hours daily and 7 days in a week, multiple payment options, well equipped medical call center, ambulance services and our excellent customer service culture will definitely be part of what will make us stand tall amongst our competitors.

- **Weakness:**

One obvious weakness that will stand out against our organization is the inability to reduce the cost of our dialysis especially within the first 12 months of operation.

- **Opportunities:**

The opportunities that are available to dialysis centers are unlimited considering the fact that there are fewer privately run dialysis centers in the Dar es Salaam and surrounding regions and we are going to position our dialysis center to make the best out of the opportunities that will be available to us.

- **Threat:**

One of the major threats we are likely going to face is the presence of well – established dialysis centers and of course other players in the Hospital and Healthcare industry in our target market location that also manage kidney related ailments. Some other threats that we are likely going to face when we start our dialysis center are mature markets, stiff competition, volatile costs, and rising medical care prices.

7. MARKET ANALYSIS

- **Market Trends**

Some notable trends in this industry is that dialysis centers are expected to perform well due to the inelastic demand for their services. The majority of dialysis patients are covered under Medicare, threatening profitability. As patients use Medicare as their primary insurer, repayments to dialysis centers will slow.

So also, with the aid of technology, it is becoming easier to carry out dialysis, treat, and manage kidney related ailments that before now were not easy to handle. No doubt there are many ways of providing kidney dialysis in this changing era since the place of delivery may be in the patient's home, or in health facilities.

The dialysis industry has recently begun consolidating due to the pressures of healthcare reform. The truth is that the demand for dialysis has steadily grown over the last five years, as healthcare reform legislation broadened insurance coverage and the plummeting unemployment rate increased disposable income.

One thing about this industry is that labor costs are on the high side. However, dialysis centers have also faced nurse and physician shortages and have struggled to recruit qualified personnel. Industry profitability has generally risen over the past five years due to increases in service prices. No doubt the dialysis centers industry will continue to grow and become more profitable because the aging baby-boomer generation in the Tanzania is expected to drive demand.

8. Our Target Market

Alshifa Limited is in business to service patients in and around Dar es salaam, Coast Regions and other regions in Tanzania. We will ensure that we target both self – pay customers (who do not have health insurance cover), and those who have health insurance cover including the Tanzania’s National Health Insurance Fund (NHIF).

The fact that we are going to open our doors to a wide range of customers does not in any way stop us from abiding by the rules and regulations governing the dialysis industry in Tanzania. Our customers can be categorized into the following;

- Residents within the area where our dialysis and Kidney health center is located who have kidney related ailments;
- Health Management Organizations (HMOs)

Our competitive advantage

We are aware that apart from the competitions that exist amongst various dialysis centers, they also compete against other healthcare services providers such as general hospitals, teaching hospitals, health centers et al, that also provide dialysis.

Our dialysis facility is well positioned and visible, we have enough parking space with good security. Our staff are well groomed in all aspects of healthcare service delivery and all our employees are trained to provide customized customer service to all our patients.

We are going to be one of the few dialysis centers in the whole of Dar es Salaam and Coast Region that will run a standard medical call center 24 hours day and 7 days a week. We have enough trained health workers that are ready to run a shift system.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category (startups dialysis and Kidney Health centers in the Tanzania) in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and objectives.

9. SALES AND MARKETING STRATEGY

• Sources of Income

Below are the sources we intend exploring to generate income for Alshifa Limited;

- Outpatient hemodialysis
- Hospital inpatient hemodialysis

- Peritoneal dialysis
- Home-based hemodialysis
- Kidney Transplanting

10. Sales Forecast

It is important to state that our sales forecast is based on the data gathered during our feasibility studies, market survey and some of the assumptions readily available on the field.

Below is the sales projection for Alshifa Limited. It is based on the location of our dialysis center and of course the wide range of our services and target market.

	2021	2022	2023	2024	2025
Revenue stream 1	265,000.0	550,000.0	715,000.0	929,500.0	1,208,350.0

N.B: This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and natural disasters within the period stated above. Please note that the above projection might be lower and at the same time it might be higher.

- **Marketing Strategy and Sales Strategy**

The marketing and sales strategy adopted by Alshifa Limited will be based on generating long-term personalized relationships with patients. In order to achieve that, we will ensure that we offer top notch dialysis and kidney related health care at affordable prices compare to what is obtainable in Tanzania.

All our employees will be trained and equipped to provide excellent diabetic related health care services. We know that if we are consistent with offering high quality diabetic related health care and excellent customer service, we will increase the number of our customers by more than 20 percent for the first year and then more than 45 percent subsequently.

Before choosing a location for our dialysis center, we conducted a thorough market survey and feasibility studies in order for us to penetrate the available market and become the preferred choice in Dar es Salaam – Tanzania.

We hired experts who have good understanding of the dialysis center line of business to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market in Dar es Salaam – Tanzania.

In summary, Alshifa Limited Services will adopt the following sales and marketing approach to win customers over;

- Introduce our dialysis center and the services we offer by sending introductory letters to residents, health management organizations, medical insurance companies, sports clubs, business owners and corporate organizations
- Advertise our dialysis center in community based newspapers, local TV and radio stations
- List our dialysis center in yellow pages' ads (local directories)
- Leverage on the internet to promote our dialysis center
- Engage in direct marketing
- Leverage on word of mouth marketing (referrals)
- Enter into business partnership with health management organizations, sports clubs, government agencies and health insurance companies.

11. Publicity and Advertising Strategy

Alshifa Limited is in the dialysis center line of business to become one of the market leaders and also to maximize profits hence we are going to explore all available means to promote our dialysis center.

Alshifa Limited has a long – term plan of opening dialysis centers in key cities in and around Tanzania which is why we will deliberately build our brand to be well accepted in Dar es Salaam – Tanzania before venturing out.

Here are the platforms we intend leveraging on to promote and advertise Alshifa Limited;

- Place adverts on both print (community based newspapers and health magazines) and electronic media platforms
- Sponsor relevant community health programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, YouTube, Google + et al to promote our brand
- Install our billboards in strategic locations all around Dar es Salaam – Tanzania.
- Engage in roadshow from time to time
- Distribute our fliers and handbills in target areas
- Ensure that all our workers wear our branded shirts and all our vehicles and ambulances are well branded with our company's logo et al.

12. Our Pricing Strategy

We will ensure that all our services are offered at highly competitive prices compared to what is obtainable in the Tanzania.

On the average, dialysis centers and health care service providers usually leverage on the fact that a good number of their clients do not pay the service charge from their pockets; private insurance companies, Medicare and

Medicaid are responsible for the payment. In view of that, it is easier for dialysis centers to bill their clients based in their discretion.

However, in some cases dialysis and health care service providers also adopt the hourly billing cum per visit billing method. For example, it is easier and preferable for dialysis centers to bill personal kidney dialysis services by the hour of treatment required as against a fixed price.

- **Payment Options**

The payment policy adopted by Alshifa Limited is all-inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulations of Tanzania.

Here are the payment options that Alshifa Limited will make available to her clients;

- Payment with cash
- Payment via credit cards
- Payment via online bank transfer
- Payment via check
- Payment via mobile money transfer
- Payment under all local and international insurance arrangement including Tanzania’s NHIF

In view of the above, we have chosen banking platforms that will enable our client make payment for our dialysis/services without any stress on their part.

13. Startup Expenditure (Budget)

Given the nature of the business, if you are looking to start a dialysis center, then you should be ready to raise enough capital to cover some of the basic expenditures that you are going to incur. The truth is that starting this type of business does not come cheap.

You would need money to secure a standard dialysis and kidney health center facility, you will need money to acquire dialysis related medical equipment and you would need money to pay your workforce and pay bills for a while until the revenue you generate from the business becomes enough to pay them.

INVESTMENT COST

The items listed below are the basics that we would need when starting our dialysis center in the Tanzania, although costs might vary slightly;

	Capital Goods	Unit Measure	Quantity	Price (USD)	Total
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1	Dailysis Machines	Units	10	16,000	160,000
2	Major Theatre-Fluroscope Machine	Units	1	10,000	10,000
3	Anastethia Machine	Pcs	1	15,000	15,000
4	Other Equipments		1	10,000	10,000
5	X Ray Machine	Pcs	1	35,000	35,000
6	Theater bed	Pcs	1	14,000	14,000
7	Monitor machines				5,000
8	Hospital Beds				40,000
9	Ventilators		1	18,000	18,000
10	Infusion Pumps				3,000
11	Oxygen supply				5,000
12	Uss Machine		1	15,000	15,000
13	Laboratory machines				40,000
14	Ambulances				16,000
15	CT Scan Machine		1	90,000	90,000
16	Renal Biopsy machine		1	26,000	26,000
17	Land Purchase	Pcs	1	50,000	50,000
	Total				552,000

Generating Startup Capital for Alshifa Limited

Alshifa Limited is a private business that will be owned and managed by Khalid Elawad Abdallah. He decided to restrict the sourcing of the startup capital for the business to just three major sources. These are the areas we intend generating our startup capital;

- Generate part of the startup capital from him and his partners personal savings

- Source for soft loans from family members and friends
- Apply for loan from the bank

N.B: We have been able to generate about **\$552,000** (*Personal savings \$300,000 and soft loan from company members \$252,000*) and we are at the final stages of obtaining a loan facility of **\$700,000** from our bank that will be used for further expansion of the project. All the papers and documents have been duly signed and submitted, the loan has been approved and any moment from now our account will be credited.

Alshifa Limited					
Projected Profit and Loss					
(P&L) Statement					
[USD \$]					
	2021	2022	2023	2024	2025
Revenue stream 1	265,000.0	550,000.0	715,000.0	929,500.0	1,208,350.0
Revenue stream 2	-	-	-	-	-
Returns, Refunds, Discounts	-	-	-	-	-
Total Net Revenue	265,000.0	550,000.0	715,000.0	929,500.0	1,208,350.0
Cost of Service Sold	92,750.0	192,500.0	250,250.0	325,325.0	422,922.5
Gross Profit	172,250.0	357,500.0	464,750.0	604,175.0	785,427.5
Expenses					
Advertising & Promotion	4,500.0	4,950.0	5,445.0	5,989.5	6,588.5
Depreciation & Amortization	1,456.8	1,485.8	1,515.3	1,545.4	1,576.1
Insurance	12,500.0	13,750.0	15,125.0	16,637.5	18,301.3
Maintenance	-	5,670.0	11,340.0	22,680.0	45,360.0
Office Supplies	37.5	38.3	39.0	39.8	40.6
Rent	-	-	-	-	-
Salaries, Benefits & Wages	64,250.0	73,887.5	84,970.6	97,716.2	112,373.7
Telecommunication	2,170.0	2,387.0	2,625.7	2,888.3	3,177.1
Travel	-	-	-	-	-
Utilities	22,560.0	24,816.0	27,297.6	30,027.4	33,030.1

Other Expense 1	-	-	-	-	-
Other Expense 2	-	-	-	-	-
Total Expenses	107,474.4	126,984.5	148,358.3	177,524.1	220,447.3
Earnings Before Interest & Taxes	64,775.6	230,515.5	316,391.7	426,650.9	564,980.2
Interest Expense	-	-	-	-	-
Earnings Before Taxes	64,775.6	230,515.5	316,391.7	426,650.9	564,980.2
Income Taxes	19,432.7	69,154.6	94,917.5	127,995.3	169,494.1
Net Earnings	45,343.0	161,360.8	221,474.2	298,655.7	395,486.2

14. Sustainability and Expansion Strategy

The future of a business lies in the number of loyal customers that they have, the capacity and competence of their employees, their investment strategy and business structure. If all of these factors are missing from a business (dialysis center), then it won't be too long before the business closes shop.

One of our major goals of starting Alshifa Limited is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to offer our dialysis a little bit cheaper than what is obtainable in the market and we are prepared to survive on lower profit margin for a while.

Alshifa Limited will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are taken of. Our organizations' corporate culture is designed to drive our business to greater heights, training, and re – training of our workforce is at the top burner.

We know that if this is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

STAFFING REQUIREMENTS

	Position	Nos
1	Consultant Doctors	7
2	Pharmacists	1
3	Registered Nurses	20

4	Medical Attendants	8
5	Enrolled nurses	10
6	ICT personnel	1
7	Admin, Financing and Marketing	10
8	Cleaners	10
	Total	67

Check List/Milestone

- Business Name Availability Check: **Completed**
- Business Registration: **Completed**
- Opening of Corporate Bank Accounts: **Completed**
- Securing Point of Sales (POS) Machines: **Completed**
- Opening Mobile Money Accounts: **Completed**
- Opening Online Payment Platforms: **Completed**
- Application and Obtaining Tax Payer's ID: **In Progress**
- Application for business license and permit: **Completed**
- Purchase of Insurance for the Business: **Completed**
- Leasing of facility and remodeling the dialysis center – facility: **In Progress**
- Conducting Feasibility Studies: **Completed**
- Generating capital from family members: **Completed**
- Applications for loan from the bank: **In Progress**
- Writing of Business Plan: **Completed**
- Drafting of Employee's Handbook: **Completed**
- Drafting of Contract Documents and other relevant Legal Documents: **In Progress**
- Design of The Company's Logo: **Completed**
- Printing of Promotional Materials: **In Progress**
- Recruitment of employees: **In Progress**
- Purchase of medical Equipment and Ambulances et al: **In Progress**
- Purchase of the needed furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV: **In progress**
- Purchase of land at Kibaha, Coast Region: **In Progress**
- Creating Official Website for the Company: **In Progress**
- Creating Awareness for the business both online and around the community: **In Progress**
- Health and Safety and Fire Safety Arrangement (License): **Secured**

- Establishing business relationship with Private medical insurance companies, Medicare and Medicaid, vendors (wholesale pharmaceutical companies): **In Progress.**