

## CONTENTS

## PAGES

	CONTENTS	PAGES
1.0	Executive Summary	1
1.1	Capital Investment and Assumed Gearing	2
1.2	Financial Viability	3
1.3	Company Objectives	4
1.4	Mission	4
1.5	Key to Success	4
1.6	Conclusion and Recommendations	5
2.0	The Industry	6
3.0	Company Summary	8
3.1	Company Locations and Facilities	8
3.2.	Company Ownership	8
3.2.1	Shareholders & Subscription Agreement	8
3.2.2	Management	9
3.2.3	Management Team	9
3.2.4	Employees	10
3.2.5	Investment in Future	11
3.2.6	Training	11
3.2.6	Remuneration Policy	11
3.2.7	Economic Impact	11
3.2.8	Conclusion	13
4.0	An Overview of the Current Business	14
4.1	Introduction	14
4.2	The Style of Tented Camps	14
4.3	The Camp Owners	15
4.4	Meals in the Camps	15
4.5	Vehicles	16
4.6	Private Guided Safaris	16
5.0	Project Description & Business Plan	17
5.1	Introduction & Background	17
5.2	Tourist Safari Programme for 2020	17
5.3	Up Coming Trips for 2020	18
6.0	Market Analysis Summary	21
6.1	Target Market	21
6.2	Market Segmentation and Analysis	21
6.3	Market Strategies	22
6.4	Current Supply	23
6.5	Competition	23
7.0	SWOT Analysis	24
7.1	Future Challenges	24

7.2	Implementation Schedule	25
8.0	Reinvestment Programme	26
8.1	Proposed Financing Plan	26
8.2	Financial Results	26
8.3	Financial Projections	
9.0	Economic Impact	28
9.1	Employment	28
9.2	Government Revenue	28
9.3	Environmental Impact	28
10.0	Risk Analysis	29
11.0	Conclusion & recommendation	31
11.1	Conclusion	31
11.2	Recommendations	31

## Appendices

- A. Application Form
- B. Business Plan
- C. Financial Models
- D. Financial Statement
- E. Memarts
- F. Certificate of Incorporation
- G. TALA License
- H. TIN Certificate
- I. Lease Agreement
- D. Letter from the Bank

## 1.0 Executive Summary

Suricata Safaris Limited (*hereafter referred to as SSL*) is a private Company that was incorporated in Tanzania on 29<sup>th</sup> December 2007 as a limited liability Company, with an authorized share capital of Tsh 300 000,000 made up of 3,000 shares of Tshs 100,000 each.

The Company' is owned by the two Directors, Mr. Hillary Chrispine John and Mr. Martin Peter Dietz, who have each taken up 1,005 and 995 shares respectively.

The principal business of **SSL** is to cater for the service needs of tourists with a special emphasis on foreign tourists who come for holidays in Tanzania. The services involve the following activities:

- expedition safaris for game viewing in the Tanzania National Parks. There are 17 National Parks in Tanzania.
- photographic safaris which embrace the night's drives that provide opportunity to photograph Tanzania's elusive nocturnal animals and their capers
- climbing Mount Kilimanjaro & birdie watching safaris. This entails bird watching safaris for individuals, families as well as groups for mountain climbing
- hospitality business i.e. managing mobile safaris camps that cater for accommodation far from crowded lodges and set in the convenient areas for observing wildlife without the seasonal limitations of permanent tented camps or lodges, thus giving the tourist a chance to be where the action is;
- cultural tourism.

Both Directors have experience in the tourism industry. This experience is augmented by marketing skills acquired through working with reputable tourist Companies in the tourist industry for many years as well as attending various international tourism trade fairs.

As of 31st December 2019, the company had been in operations for twenty four months. Table 1 below shows an **SSL** summary of operating results for the last twenty seven months.

Table 1. A Summary of Operating Results (Tshs'000')

Item	2018	2019*
Revenue	689,458,015	1,533,260,415
Net Profit	4,803,496	72,995,537
%Net Profit	0.70%	4.76%

Source: Audited accounts & \*\* Management Accounts

Encouraged by good financial performance and the expansive and growing trend of the tourist market as well as the need to satisfy the ever-increasing tourist demand for international high-class up-market clientele comprising of holiday makers market and special photographic safaris, the Company plans to expand its facilities to cater for existing customers and to attract more upscale customers.

In response to this growing demand, Suricata Safaris Limited is seeking to acquire two additional new vehicles (2) in 2020 and three (3) in 2021 to bring up to a total number of ten (10) Company owned safaris vehicles to cope up with the increase volume of tourists who have booked through the Company. It also seeks to invest in a modern garage where all its vehicles will be serviced and repaired.

The shareholders also intend to make a substantial Investment in terms of accommodation facilities. Construction of **Boma Masai Lodge, a luxury tourist lodge** is under way in Mto wa Mbu Town and is set to be completed by the end of December 2020. At completion, the lodge capacity will be 44 beds. The total estimated cost of the project is US Dollars 1,137,506 and the proposed sources of financing shall be loans and equity contribution. This will be operated separately from the tour operations but will complement each other:

As part of its long term market penetration strategy, the Company is striving to gain an increased share in existing market and new potential areas through new improved services. By acquiring a new own tourist vehicle the gradual phasing out of hired vehicles, it will be able to ensure the safety of its tourist clients and make tour service effective and efficient. Other benefits to include:

- Display Company's branding uniformly, make it look professional in make and model;
- Assure vehicle reliability, maintenance and insurance;
- Control costs and liability;
- Be able to set standards.

Through the acquisition of one additional own vehicle which shall complement the existing hired vehicles for expanded operations, the Company will be able to achieve sales in 2020 of US\$ 840,684(Tshs 1.933 biln): US\$ 1,137,937 (Tshs 2.617 biln) in 2021: US\$ 1,368,186 (Tshs 3,146biln in 2022): US\$ 1,434,451 in 2023 (Tshs 3.299biln) and US\$ 1,496,638 in 2024 (Tshs 3.299biln) These projections are based on confirmed bookings and programmes for 2020: as well as projections for 2021; 2022 and 2023.

The Company has also built an experienced and expert Management team to work with the founders and the Managing Director, Hilary Chrispine to take advantage of the expanded facilities. Additionally, the Company plans to provide intensive training and upgrade its entire staff as it continues to grow.

### **1.1 Capital investment and assumed gearing**

The total capital investment is estimated at Tshs. 916.668m, that includes construction of a garage, external works, cost of land, camping equipment, furniture's and vehicles. No further capital investment is assumed within the projected period.

Table 2 below provides a breakdown of the project costs, indicating the projected financial requirement for Suricata Safaris Limited

Table 2 Financial Requirement

	TSHS'000'			USD
	Existing	Additional	Total	"000"
Item				
Building/Garage	0	35,000.00	35,000.00	15,217.39
Camping Equipment		82,500.01	82,500.01	35,869.57
Furniture and Fixtures	2,500	35,500.00	38,000.00	16,521.74
Motor Vehicles	222,000	335,800.00	557,800.00	242,521.74
Working Capital		203,368.88	203,368.88	88,421.25
<b>Total Investment</b>	<b>224,500</b>	<b>692,168.89</b>	<b>916,668.89</b>	<b>398,551.69</b>

- In the projection, the financing the project is set to be financed by the shareholders on 33.50% and 33.17 % from initial equity contribution

## 1.2 Financial Viability

Once the lodge becomes operational, the Company's sales are expected to rise from Tshs 1,933.573 million (equivalent to US Dollars 840,684) in 2020 to Tshs 3,442.267 million (equivalent to US Dollars 1,496,638) in 2024. An annual increase is expected over the next four years and will peak of in 2022 when profits are projected at US Dollars 122,000. Pre-tax profit margins are expected to increase from US\$ 32,000 to US\$ 174,000 in the next five years.

Table 3 below shows a summary of **SST** operating results over a period of five years. Growth on turnover is based on conservative estimate of number of vehicle trips based on the proportion average of 2% to 30% per day.

Table 3: A summary of SST Projected Operating Results in (US\$)

Item	2020	2021	2022	2023	2024
Revenue	840,684	1,137,937	1,368,186	1,434,451	1,496,638
Net Profit	32,431	69,374	173,617	156,247	137,909
%Net Profit	3.86%	6.10%	12.69%	10.89%	9.21%

On the strength of the base case scenario projections to 2024, and using the parameters outlined above as well as other assumptions detailed in the report, the following observations are in order:

- The indication is that, the Project would be viable based on the very conservative assumptions.
- General performance after implementation of the proposed project shows the Company's net worth portraying growth over a 5-year period and subsequently, throughout the period. Growth on the turnover is projected to be from US\$ 840,684 in 2020 to US\$ 1,496,638 in the fifth year.

### 1.3 Company Objectives

The Company primary objective is to improve and expand its operational facilities and reduce dependence on hired vehicles in progressively manner, so as to be able to increase efficiency and provide long term value for its shareholders.

Other objectives include:

- Continuously provide enjoyable quality safaris trips on time and on budget.
- Develop enthusiastically satisfied customers all of the time.
- Establish a market presence that assures short-term and long-term profitability, growth and success.
- Contribute positively to surrounding communities and environment.

### 1.4 Mission

Suricata Safaris Limited has a mission of expanding its business and becoming a medium, profitable tourist Company through the peculiar, distinctive quality tourist safari and hospitality services as it seeks a fair and responsible profit, sufficient to keep it financially healthy in the short and the long term, while at the same time fairly remunerating employees for their work and effort.

### 1.5 Keys to Success

The keys to success in its tour operations have revolved on effective market segmentation through identification of several niche markets and implementation strategies.

It believes that its past and future success depends on a handful of important operating principles: -

- **Excellence in services:** Offering completely enjoyable, comfortable and informative travel excursions that will ensure that the tourists are thoroughly satisfied and appreciative at the end of their trip.
- **Timely response:** Proving timely response to client's inquiries and complaints so as to ensure constant communication as well as hotels and lodges to show the Company's commitment to meeting expectations.
- **Solid strategic alliances:** Continue with constant strategic alliances with international tour operators, travel agencies, including hotels, lodges, so as to be assured of a constant flow of tourists and as well as fulfilling their needs at every opportunity.
- Focusing on custom designed trips
- Owning and maintaining its own medium fleet of safari vehicles - four wheel drive Land Cruisers with specially designed open roof hatches for photography and unobstructed viewing
- Exploiting fully the Director's practical experience acquired while working for other tour Companies.
- Make full use of potential opportunities in Tanzania

## 1.6 Conclusion and Recommendations

The implementation of Suricata Safaris Limited's investment programme is recommended for several reasons: -

- Even with conservative estimates, the proposed undertaking is financially viable.
- It will increase the country's foreign exchange earnings
- It will provide employment for at least 26 people
- It will increase government revenue by way of payroll taxes, skill development levies, value added tax and corporation taxes and lastly but not least

## 2.0 The Industry

Tourism and the Hospitality industry hold immense opportunities for Tanzania. Abundant wildlife, pristine beaches, areas of great scenic attraction and beauty, diversities of culture, the majesty and splendor of the Great Lakes and Mount Kilimanjaro and the mystique of the Spice Islands combined with an excellent climate invest the country with a tourism portfolio unique in Africa. Tourism products can roughly be grouped into three regions, namely, the Northern and Southern Circuits, and Zanzibar. The main product lines translate into ecotourism, sun and sand, culture and adventure. Travel for business, conferences and visiting friends and relatives has also grown over the years and become a significant component of the hospitality industry.

The popular Northern Circuit which covers the Arusha region is predominantly ecotourism, comprising well-known attractions such as Mt. Kilimanjaro, the Serengeti National Park as well as the Ngorongoro Conservation Area. On the other hand, the Southern Circuit has a strong combination of bush (ecotourism) and beach (sun and sand). The Circuit however remains largely unexploited and includes Dar- Es- Salaam and environs, Mafia Island, Saadani and Mikumi National Parks, the Selous Game Reserve and Kilwa. Zanzibar is the renowned Spice Island and has, over the years, witnessed increasing growth as a sun, sand and sea destination for visitors. A strong cultural component is a constant in all the "tourism nodes", embracing a fusion of African, European, Arabic and Indian influences.

In the past, ad hoc planning of tourism development and lack of focused, integrated marketing strategies failed to deliver on the enormous potential of the country's Tourism and Hospitality sectors. The Government has identified this as a priority area and is committed to facilitating its growth, leveraging private sector investments therein and ensuring that economic benefits spread to the local communities.

- **Opportunity**

There is therefore a wide opportunity for Suricata Safaris Limited to grow in this wilderness mobile safaris camping business, especially the main line business being of tourism. This opportunity which prompted the investors to expand its facilities is enhanced mainly by the fact that;

- Tanzania as a tourist destination is second to none. The country is blessed with the wildlife resources that are considered among the finest attractions in the world. The wildlife areas offer spectacular game viewing including the annual wildebeest migration in the Serengeti. With its 12 national parks, 17 game reserves, 50 game controlled areas, a conservation area and marine park, the area stretches through the vast Serengeti plains to the Mt Kilimanjaro in the north, the Selous Game Reserve to the south and the exotic island of Zanzibar, Mafia and Pemba.

- Besides Suricata Safaris is fortunate to have the best driver-guides in the business; some are birding specialists and they understands well the needs of photographers, know the best angles and the best lighting for the best photographs.
- The existing peaceful environment and political stability in Tanzania offers a great opportunity for international tourist to visit the country, which has now become the major tourist destination. According to the data released by WTO Tanzania saw international tourist arrivals increase and recorded 7.13% in 2018 wiyh more arrivals compared to 2017
- The substantial growth of tourism activity clearly marks tourism as one of the most remarkable economic and social phenomena of the past century. The number of international arrivals in Tanzania shows an evolution from 295,312 international arrivals in 1995 to 1.5 million 2018, corresponding to an average annual growth rate of 11.65%.
- Modern tourism is characterized by strong overall development and by a growing tendency for tourist to visit new destinations, together with tourism product diversification and increasing competition between destinations. New destinations are steadily increasing their market share.
- Most of the international tourist come from developed countries and have traveled extensively, often staying in the best hotels, they as such do not prefer a conventional hotel rooms in the bush when they come to Tanzania safari, they prefer staying in safe comforts of a mobile tented camps but where they could hear the lions roars, feel the fragrance of the wild and the noises of the night.

The project idea comes at the time when new product diversification and new destinations have to be explored and developed. The sponsors of Suricata Safaris Limited have recognized this business opportunity. The two primary markets, the American and European market each present compelling opportunities for growth and expansion.

### 3.0 Company Summary

Suricata Safaris Limited is a private, limited liability Company incorporated in Tanzania on 29<sup>th</sup> December 2017, with an authorized share capital of Tanzania Shillings 300,000,000, divided into 3,000 ordinary Shares of Tshs 100,000 each. Its Certificate of Incorporation is number 140195

Its tour operation services initially included pre-arranged tours, custom packages according to clients specifications, travel consultation and, as time progresses, making reservations for lodging amongst other related services. Suricata Safaris Limited seeks to differentiate itself as the premier adventure travel Company in the greater Tanzania Tourist Area.

As it grows, it will take on people and expand into related markets and services. It will also look for additional leverage by establishing relationships and representations with appropriate strategic allies.

### 3.1 Company Locations and Facilities

At present the company offices are located at Siwandeti in Arusha Municipality. However, it is the intention to move into more accessible and attractive offices in a prime area. Though, this is regardless of the fact that the type of business is not too dependent on office location and size.

### 3.2 Company Ownership

The overall governing body of Suricata Safaris is the Board of Directors, which is composed of shareholders. It is made up of the Chairman and a Director. The present shareholders comprise the following: -

		No of Shares	%
1. Hillary Chrispine John	Chairman & Managing Director	1005	33.50%
2. Martin Peter Dietz	Director	995	33.17%
3. Un Allotted Shares		<u>1000</u>	<u>33.33%</u>
Total		<u>3,000</u>	<u>100.00%</u>

#### 3.2.1 Shareholders and Subscription Agreement

The shareholders have entered into the Shareholders and Subscription Agreement whereby it was agreed that Martin Peter Dietz shall continue to contribute to the ordinary equity of the Company to finance the investment programme of the Tour Operations as well as into the Construction of the Lodge ; and upon such contribution, it shall be recorded as advancement towards share capital.

Upon receipt by Company of evidence transfers a record shall be made in TZS, convertible amount to be recorded that each Shareholder owns the number of Shares as of the date of such contribution by **Martin Peter Dietz** and **Hilary**

**Chripine John. Martin Peter Dietz** has so far wire transferred US Dollars 189,713.83, an amount recorded as of the date of this Agreement is as follows:

<u>Shareholder</u>	<u>Amount</u>	<u>Date Transferred</u>	<u>Date for New Transfers</u>	<u>NBC Bank Account</u>
<b>US Dollars</b>				
<b>Martin Peter Dietz</b>	75,500.00	09 10-2017		01420700805
	8,085	10-05-2018		014160000220
	28,552.86	25-09-2018		014160000220
	2,485.00	19-10-2018		014160000220
	18,133.50	04-06-2019		014160000220
	3,066.21	13-06-2019		014160000220
	1,963.73	05-07-2019		014160000220
	26,143.65	09-08-2019		014160000220
	25,783.88	19-09-2019		014160000220
		Feb-Mar 2020	<u>65,502.18</u>	
Total	<u>189,713.83</u>		<u>65,502.18</u>	

### 3.2.2 Management

A Board of Directors manages Suricata Safaris Limited. It comprises two Directors i.e Hillary Chripine John, and Martin Peter Dietz.

The Board formulates and determines the policy and strategic direction of the Company. The Chief Executive is the Managing Director. He reports to the Board of Directors composed of the shareholders. On the whole the Company has benefited considerably from the dynamic leadership of the present Managing Director who has been very successful in combining the twin function of policy making and administration.

The principal shareholder is also the Managing Director. He is responsible for all major decisions, overall running of business, corporate planning, setting up business strategies, monitoring implementation and achievements against set goals, policy making, financial planning and administration.

A team of three people runs the day-to-day affairs of the Company and who make up for the Management team. These include:

- The Managing Director
- Reservation Officer
- Office Supervisor

The number of all employees at Suricata Safaris Limited will increase to 26 from 8 when this Business Plan is implemented.

### 3.2.3 Management Team

A team of three people whose profiles is detailed hereunder runs the day-to-day affairs of the Company.

They comprise:-

- The Managing Director Hillary Chrispine John
- Reservation /Operations Officer Justone Fransis
- Office Supervisor Elionora Edward

- Mr. Hillary Chrispine John Managing Director  
Age 26 years

He is a first generation entrepreneur who founded Suricata Safaris Limited that is active in camping safaris, walking safaris and birds watching safaris, family safaris, special photo safari and cultural educational safaris. He has over 5 years of tour Management experience and has successfully lifted the Company to its present success. His responsibilities include developing and executing the Company's Business Plan Strategies, providing strategic direction on day to day activities as well as ensuring policies and legal guidelines are communicated and adhered throughout the Company

- Justone Fransis Reservation/Operations Manager  
Age 26 years

Justone, the Operations Manager has more that 4 years of experience in the tour industry. He has strong working knowledge, understanding and experience in customer service oriented business. He is responsible for the execution of tourist tour programs and for managing the operations team, emergency protocols and incident responses, trip profitability, and continuous operational innovation. He works closely with various internal teams, including Sales and Guest Services and Marketing Team to ensure that operations are seamless and meeting or exceeding guest expectations.

He is also responsible for driving improvements in tour operations and guest satisfaction by fostering a collaborative team environment within the Operations team and other departments. He report to the Managing Director.

Elionora Edward Office Supervisor  
Age 20 years

Elionora is responsible for the administrative matters and general operation of the office. Her duties include meeting visitors, answering incoming calla, purchasing office supplies and taking proper invesntory and suprvising office staff to ensure maximum productivity.

She report to the Managing Director.

### 3.2.4. Employees

The most important long-term investment is the human resource. It is the "plant and machinery" of the Company's tour and hospitality business, and is responsible for the standards of service it offers its customers. It is expected that a total of 26 people will be employed.

### **3.2.5 Investment in Future**

The investment for future growth is not only through expansion of services, it is through creating the right environment for the company to flourish. The Company welcomes the initiative of its employees in developing new services which utilize their existing resources and skills.

### **3.2.6 Training**

Suricata Safaris Limited is committed to employee's development, increasing emphasis being on internal career development. Management staff receives regular briefings and are encouraged to present these to their subordinates, so that all employees are kept informed of performance and strategy.

The Company provides intensive training on employees immediately after recruitment. Employees receive an internal training which covers both the professional and practical aspects of the Company ideals and ways of operations and its done by the management assisted by senior and experienced employees. .

### **3.2.7 Remuneration Policy**

The shareholders believe that good working conditions benefit both the workers and the Company. The Company's remuneration packages are designed to therefore attract, motivate and retain employees of the right calibre and to reward them for enhancing value to shareholders. The policy, which determines in relation to the remuneration of employees, is therefore as follows: -

- To pay base salaries which reflect the size, performance and contribution of individual jobholders. The Company receives advice from external sources to help it assess the salary levels paid in comparable organizations.
- To operate an annual incentive plan which relates the payment of cash bonuses to pre-determined performance goals.

### **3.2.8 Economic Impact:**

The Company's main economic benefits to the country are as follows:

#### **a) Employment:**

The Company's' expansion programme is expected to increase the direct employment of 5 people. Which means the income and social well being of the employees will improve.

- #### **b)**
- The investment will generate a commercial spin-off for fuel suppliers and provision suppliers.

- c) There will be a general raise of living standard for the people living in the project surroundings through generation of job opportunities and improvement of the infrastructure and facilities of the area.
- d) Workers are likely to be beneficiary and benefits will include salaries, better than average Tanzanian conditions, social and health security, and access to credit and saving schemes.
- e) **Government revenue:**  
The Government is expected to get various taxes from the operations of the Company when it is complete.
- f) **Foreign Exchange Earnings:** Improved foreign earnings could improve the external trade balance

- **Environmental impact:**

The operations of the Company have no negative impact on the environment. In fact its contribution to sustainable conservation is taken seriously. The Company understands the need to help protect parks, reserves and wilderness areas around the camps and the wildlife that draws the Company and clients there.

As such, when operating tented camps it ensures that the camps are eco-friendly and that the management works with the park and or reserve authorities to guarantee that the environment is preserved.

Liquid waste is disposed of through the cess pit that has been made. Other waste is collected and periodically picked up by refuse collection service and dumped at approved refuse dump pits.

- **Project risk factors:**

There are several risks, which may impact the Company business operations. However, in this section we highlight the most important factors, which Suricata Safaris Limited is aware of. These risks include:

- Inflation risk.
- Increased threat of global recession.
- New dimension of international terrorism
- Exchange rate risk
- Political risk
- Market risk
- Intensified competition risk.

These risks notwithstanding, (which are exhaustively discussed in later pages ) it is hoped will continue to successfully steer the Company operations either off or through any risks that it will face in the future. This optimism arises out of the fact that the owners and management of the Company are astute businessmen who have so far successfully managed their businesses well.

### 3.2.9 Conclusions

### 3.2.9 Conclusions

It is apparent from the foregoing analysis of the technical, economic and financial aspects of the proposed business that will continue to be a profitable undertaking if implemented.

The economic impact from implementing and operating it is also positive.

The critical success factor for the project include:

***Raising the required capital:*** the project results show that the business is profitable and could generate enough cash to repay returns to all sources of finance. However, the timing for raising the finance is very crucial to the achievement of the targeted results.

## **4.0 An Overview of the Current Business.**

### **4.1 Introduction**

Suricata Safaris Limited is currently engaged in operating personalized top quality safaris, from luxury to adventure, from lodges to camping, from photo to birding, from wildlife to cultural and educational experiences. The Company offers a great variety of safari programmes that are customized for visiting some of the best and most spectacular National Parks in Northern Tanzania and the remote and exciting Southern Circuit of Tanzania

All its safaris have guaranteed departure, for a minimum of two peoples though most have guaranteed departures for one guest once they have paid the single surcharge. Programs can be for more than 7 or 10 people and others 20 people. The Company usually writes and prices a program to outbound tour agents. Once the outbound agency agrees the price, the Company provisionally books rooms/campsites to secure the place for it. Confirmation may take up to 3-6 months or even a year before a program is scheduled and the exact figure known as to how many are actually signed up.

Clients are invoiced 90 days prior to arrival and pay 50% of the total in advance. Second or final payment for the remaining 50% is made 45 days prior to the client's arrival.

The Company provides pre-safari information that is forwarded to the guest through tour agents that deal with it. This will usually consist of about five (5) pages of information on the safari and the local conditions. The information pack contain essential reading, which ensures the safari goes smoothly.

Most of the guests come from developed countries, especially America and Europe, and have traveled extensively, often staying in the best hotels. The vast majority do not want a conventional hotel room out in the bush. The Company offers luxury camping safaris in areas reminiscence Tanzania, as it was 50 years ago. It proffers the guests with many comforts of a hotel room and, when they lie in bed at night, they feel the pulse of the wild when the lion roars, but they must also be safe. The tents offer a safe sanctuary, but have an atmosphere. Some of the guests who prefer hotel room accommodation, however, are booked in first class hotels

### **4.2 The Style of Tented Camps**

The tented camps are designed in such a way that each is blended into its own environment and location. The Company aims also to make each camp different, even though, there are a number of key common ingredients which will be found in all the camps:

The tents are designed in such a way as to make the guests feel comfortable. The large deluxe beds, king size and double beds, towels, face cloths, good lighting (though this is often 12 volts) are supplied by the Company. Eve and

shampoos are supplied. Luxury tents always have en suite bathrooms. Some even have an additional and optional outdoor shower, "under the stars", to get even closer to nature. The camps are conveniently sprayed on a regular basis with an environ-friendly pyrethroid that is effective against mosquitoes and malaria. The Company has a remarkable record in this regard.

Since the camps do not have access to regular electrical power, each has to provide its own. Usually on site generators produce 220V electricity or solar panels be used in some of camps. Since the company tries to limit noise, the generators are silenced as much as possible – and run for only three or four hours in the morning and again in the afternoon when guests are out on outdoor activities. Generated power is used to run ice machines, deep freezers and fridges (with special "hold-over plates" which are able to keep food and drinks cold all day). The generator has also to charge batteries that store power for the bedroom lights and fans above the beds. There is ample electricity for batteries for video cameras direct from the generator (when out on game drives). Top roof open Land Cruiser do this naturally!

In the vast majority of the camps, the Company does not burn firewood to heat the showers or baths. Instead, it heats the water with the sun's rays by solar panels. The only firewood that is burnt is the small amount needed for evening's campfire! Dead wood is left out in the field so that it can be recycled to ensure that nutrients are returned to the soil.

#### **4.3 The Camp Owners**

All the tented camps are located within and around the National Parks and are managed and owned by the Tanzania National Parks Authorities (Tanapa). The Company has to book in advance to secure best campsites.

#### **4.4 Meals in the Camps**

The Company provides/opts good, wholesome home-style cooking at elegantly set dining tables (sometimes under the stars, sometimes under thatch or canvas) where guests can discuss and debate the day's events with the guides and managers. Company cooks have good experience on outdoor food preparation and provide delicious meals, mostly, European cuisine. Meal times are geared around the best game viewing times and activities. In game viewing camps, for instance, guests don't come back into camp at 8am just to have breakfast. It is better to have this out in the field while enjoying the fauna and flora when viewing is at its best. Meal times take this into account. In the camps, the Company abandons the traditional three meals-a-day routine. The day starts off at first light, with very quick continental breakfast -of juices, tea or coffee, plus a quick bowl of cereal or toast – and then off in vehicles to return at approximately 10 or 11am for a huge brunch...literally, a combination of breakfast and lunch. Guests can enjoy their traditional breakfast eggs as well as quiches, salads, etc. Light savouries and tea/coffee/juice would be provided before the start of the afternoon game drive, which would be followed by a return to camp for a hearty/big dinner. The Company caters for vegetarians also.

#### **4.5 Vehicles**

The Company uses extended 4x4 Land Cruisers with open roof almost exclusively in all the safari camping business. The local conditions are much more suited for Land Cruisers with specially designed open roof hatches for photography and unobstructed viewing, for all-round visibility and, therefore, so much better. All the Company's game viewing safari camp vehicles have a similar layout. They normally have three rows of seats on a vehicle, plus seats for the driver and front passenger. Each of the two rows usually has two seats, so in theory, the vehicle can seat 8 people, including the driver. However, the company usually restricts the number on a vehicle to 6 or 7 guests plus the tour guide.

The Company's safaris can be sold on a "shared vehicle" basis from source. However, many guests have a special interest, be it photography or birding, or perhaps just want to be on their own so that they can dictate the pace without worrying about someone else's interests. Private vehicles and guides can be arranged from time to time.

#### **4.6 Private Guided Safaris**

Privately guided safaris have been a specialty of Suricata Safaris Limited since it started. The privately guided safaris are the Company's finest safaris, with each itinerary being tailor-made to suit each group's interests. To enhance their safari, some guests request that the company include the services of an additional top naturalist/photographer/birder who will accompany their group on all or part of the safari. The real benefit of this service is that your guide soon gets to know what your interests and needs are and can thus build on them as you move from area to area. These guides know their areas intimately.

These superb guides turn a good safari into a great safari through their exceptional all-round skills. Top quality guides are a rare breed highly committed and dedicated professionals. The enthusiasm they generate is a natural spin – off of their way of life, which rubs off onto their guest experiences in Tanzania.

All the safaris run in this programme are private and each itinerary is customized. There are no scheduled departures. The Company makes certain that a safari's itinerary is perfectly suited to each party's interests and time frame. No two safaris are the same.

## **5.0 Project Description and Business Plan**

### **5.1 Introduction and Background**

The idea to expand Suricata Safaris Limited tourist business has been precipitated primarily by the increased volume of business as tripled during 2019 and a Company's reputation that has led to new clients confirming bookings for the year 2020 as well as the Company's vision to expand its business and become a medium, profitable tourist enterprise that caters for up-market clientele.

The Company carries out a variety of activities while on camping safaris. Listed below is a brief activity and facilities account of available amenities for the guests.

- Game and or Nature Drives. - This activity is central to almost all of the camps and safari. It entails game drives and viewing in extended Land Cruiser with open roof during the day. The wildlife that may be seen around the National Parks includes Elephants, Buffalo, Lions, Leopards, Zebra, Impalas, Giraffe, Wilder beast, Eland, Cheetahs, Thomson Gazelle, Warthog etc
- Night Drives. - Is another activity that could be offered to clients as an opportunity to experience some of the nocturnal mammals and birds, which are only very rarely encountered during the day. It also entails drives in safari vehicles after dark.
- Photo Safaris. - The Company can arrange professional migration photographic safaris. It can offer a unique safari experience that no another Safari Company that can match for its quality..
- Mt. Kilimanjaro Climbs. - The Company also plans for individuals, families or groups.

The confirmed bookings for 2020 which is about 250 tourist guest and the initial 150 guest for 2020 which is expected to increase implies that business demands additional operational equipment's such as vehicles and camping facilities and utilities to be able to match the increased level of activity.

### **5.2 Tourist Safari Programme for 2020**

Most of tourist safari itinerary are usually arranged between 12,9,8,7,6,5,4 and 3 Days trips. During the month of July the Company has a confirmed booking for 12 tourist guests. The Company would need about 5 vehicles for smooth operations, hence the need to acquire 1 additional vehicles and camping equipment's and facilities. On an average, the Company will be receiving between 5 to 35 tourists per month (an average of 20) and would require an average of 12 vehicles every month hence the need to acquire new additional vehicles to a maximum of 10. The alternative is to hire the vehicles, which does not guarantee quality service, or the vehicle itself. Bookings are usually done 16-24 months in advance.

drive to your private luxury mobile camp for lunch and afternoon game drive. The luxury mobile camp is Suricata Safaris Limited specialty and provides guests with an intimate encounter with the wildlife of the park. Tents are large (9 feet by 24 feet) heavy-duty canvas with bathroom ensuite. A separate dining tent is provided for gourmet meals and a campfire each night.

Day 9 Tarangire-Luxury mobile camp, full board: Game drives. This is a wonderful time of the year to be camping in Tarangire, which hosts the second largest migration of animals in the world. Herd animals from the Great Rift Valley migrate into the park for water found in the Tarangire River. Wildebeest, Zebra, Gazelles, Elephants and Antelopes all come into the park, with predators of all kinds following their prey. More than 6,000 resident and migratory elephants can be found in the park this time of the year. Tarangire also has the one known remaining pack of wild dogs in Northern Tanzania. While sighting the wild dog is still extremely rare, they are located in the park at this time of the year.

Day 10 Tarangire-Luxury mobile camp, full board: Game drives

Day 11 Arusha, full board: Drive out of Tarangire and to Arusha. Guests arrive in time for shopping and lunch at the Convenient Restaurant. The rest of the afternoon is free to pack, relax or explore Arusha town. Dinner and transfer to Kilimanjaro for return flight to the US on KLM.

Following Table 3 summarizes a 12day safari itinerary that the company uses for its programmes based on bookings from the office in the States and UK

Table 3 showing company itinerary

<b>12 Days Northern Safari</b>
<b>Visiting some of the best and most Spectacular National Parks in Northern Tanzania</b>
Day 1: Depart the USA/UK Arrive Kilimanjaro. Transfer to a Lodge for overnight accommodation.
Day 2: Drive to Manyara
Day 3: Drive to Serengeti
Day 4: Four days to Serengeti with an all day game drive & camping safari
Day 9: Drive to Ngorongoro overnight on the crater rim staying at the lodge
Day 10: Full day game viewing in the crater
Day 11: Drive to Tarangire with game viewing all the way. Overnight in Tarangire in a tented camp
Day 12: Early morning game walk with local Masaaai warriors, followed by lunch in Arusha, and a chance for a bit of shopping, before being taken to the airport for their flight home

## 6.0 Market Analyses Summary

Tanzania has plenty of natural tourist resources and attractions. These includes; several game parks and reserves such as Serengeti, Lake Manyara, Tarangire, Arusha National Park (Momella), Mount Kilimanjaro, Ngorongoro Crater, Gombe in the West, Mikumi, Ruaha National Parks and Selous Game Reserve in the South of the Country. The spice Island of Zanzibar, Pemba and Mafia are other attractions.

The Industry is among the fast growing sectors and responsible for the largest flows of capital within the Tanzania economy as it has evolved from mere 58,819 tourist visitors arrivals in 1970 to 1,284, 279 in 2017. Demand continues to be strong in most source markets and destinations, despite ongoing geopolitical, economic and health challenges in some parts of the World.

However, in the midst of globalization and liberalization of economies, along with increasing competition, the marketing has become of utmost importance for Suricata Safaris Limited.

With the advancement of technology and social media, the role of marketing has become significant for the Company as it continues to adapt to the times by providing its clients with the very latest offerings as well as complete information regarding the destination, product and services.

### 6.1 Target market

The target market for Suricata Safaris Limited for its international tourist visitor comprises the following types of guests. These are:

(ii)	American Tourists	60%
(ii)	European Tourists	20%
(iii)	Indian Tourists	10%
(iv)	South American Tourists	3%
(iv)	Japanese Tourists	2%
(v)	Russian Tourists	2%
(vi)	Far East Tourists	2%
(vii)	Locals	1%

Currently the composition of tourist guests served by the company is from United States of America and Europe. The company is planning to extend its reach to target the Asia countries and South America countries.

### 6.2 Market Segmentation and Analysis

There are basically two major markets. The tourist market and special photographic tourist market:

- **The Tourist Market**

This comprises tourists who visit the country on year-to-year basis with prior bookings. The Company operates on exclusive confirmed bookings every year in advance. For the next year the company has already booked for special tourist of about 250 tourists from America and Europe.

- **The Special Photographic Tourist Market**

This comprises privately guided safaris as the company's finest safaris, with each itinerary being tailor-made to suit each group's interests. To enhance their safari, some guests request that the company include the services of an additional top naturalist/photographer/birder who will accompany their group for all or part of the safari.

### **6.3 Market Strategies**

Suricata Safaris Limited expansion program principal objectives are: -

- To make the Company start investing into operational equipment's to increase efficiency and effectiveness
- To ensure that the existing Company reputation is maintained in order to increase market share for tourist visiting National Parks.
- Continue to maintain the same level of efficiency and improve on the quality to attract more up-market clientele.

In order to attain these objects and as part of its market strategy, Suricata Safaris Limited Company takes full advantage of the attractiveness of Tanzania Tourism Industry, by using of one of the most effective technologies currently being exploited by the tourism marketing industry, : social networks among features being used to realize its goals.

- **Direct marketing-Social Network**

Social networks are essential for marketing strategies in the tourism sector. As more and more tourists are selecting their destinations based on the opinions shared through social networks. Suricata Safaris Limited is fully aware of this fact and as a result, is constantly attempting to increase its presence online in order to try to convince potential tourists of the value of products and destinations it offers

It also uses the services of overseas tour agencies that book tourists in advance. The Company targets the up market tourist with different tastes.

#### **a) Use of Marketing Tools and Programmes**

The Company uses local and overseas marketing programmes to capture market segments envisaged. The Company has a website on the internet where it is being advertised and can be logged at anyplace in the World. The use of brochures, advertisement in TVs, and Journals are being applied to market Suricata Safaris Limited

#### **b) Door to Door Marketing**

Through its collaborative Tour Agents abroad will now and then visit or call on various international offices of potential clients for business solicitation. Such clients shall include: -

- i) Sport Organizations to target Executives and Super Stars
- ii) Travel industry executives
- iii) Cooperative executives
- iv) Senior Governments official
- v) International Organization
- vi) International Trade Fair

#### a) Pricing

The Company continuously develops and review tariffs systems incorporating international hotel discount rates taking into account the type of customer and frequencies. The current tariffs charged are considered to be more competitive compared to those of the other competitors.

The current rates applied by Suricata Safaris Limited are US\$ 1,500, US\$3500 and US\$ 7,000 per safari trip programme for 3Star, 4Star and 5Star respective categories ..

As indicated below, the above tariffs are fairly competitive when compared with those of the tour companies

#### 6.4 Current Supply- Tour Operators & Competition

There are over 300 tour operators in Tanzania. Arusha hosts over 80% of the total number.

The operators are of different sizes in terms of management, operations, investment and marketing. They also target different types of clientele. Most of them are members of the recognized Tourism Body i.e. Tanzania Association of Tour Operators (TATO).

#### 6.5 Competition

There are other tour operators in the same line of business. Tour operators are categorized into small, middle and big players. Competitions are within the segment. Suricata Safaris Limited is classified as middle operators targeting the middle class market and upper market. Other players in this class include:

- Tanzania Photographic Safaris;
- Kibo Safaris;
- Roy Safaris;
- Predators Safari Club;
- Karibu Africa Safaris;
- Shades of Africa etc.

Suricata Safaris Limited is a medium player in the tourism industry. Its major source of business is the America and Europe where it operates with various a tour agent and account for 80 % of the entire business.

## 7.0. Situational and SWOT Analysis

Suricata Safari's SWOT analysis tries to identify the internal and external as well as the internal factors that will affect the Company's future performance. The analysis is done as part of the overall corporate planning process in which financial and operational goals are set for the upcoming year and strategies are created to accomplish these goals

As indicated above, Suricata Safaris has undergone a growth of unsurpassed rapidity and intensity due mainly to:

- personal and direct knowledge of the tourist products it sells, as well as good understanding of the whole tourist chain supply system and management;
- strong cooperation and association/network with top international and reputable tourist Companies in the World;
- judicious and timely investments in operational equipment's and people;
- a built and well managed reputation on private tour safari with mobile camping

It is on the basis of this strength that it is planning to expand and climb to the next level and invest into operational equipment's in order to be able to cater for the new up-market clientele

A brief SWOT analysis of the Company reveals the following highlights

### STRENGTH

1. Corporate Image in the market Place (US & Europe) very strong
2. Diversified client base
3. Niche destination & knowledge of Tourism in Tanzania

### OPPORTUNITIES

1. Growth opportunities through increased reach and coverage of Europe & Asia to increase market outreach
2. Expansion of product range to absorb market clientele
3. Positive international tourism trends

### WEAKNESS

1. Lack of financial resources to support a viable expansion programme & investment
2. Dependence on existing agents and repeat clients
3. Lack of big reputation compared to its competitors

### THREATS

1. Changing Tourist/Consumer behaviour
2. Economic downturn & raising interest rates
3. New start-ups due to national wide economic and tourist growth

## 7.1 Future Challenges

- Staying one step ahead of competition;
- Political & economic uncertainty;
- Unpredictable tourist/consumer behavior;
- Terrorism;
- Anticipation of future trends in tourism.

## 7.2 Implementation Schedule

Since the major tasks and operations mentioned in the Executive Summary are on-going and are expected to be a continuous process, a summary of this one activity is to be accomplished before the due date are indicated below

Table 5 Summary of Implementation Schedule

	Activity	Due dates
i.	Submission of the application to TIC	Feb 2020
ii.	Application appraisal	Feb/March 2020
iii.	TIC Approval	March 2020-Dec 2020
iv.	Implementation of Tourist Safari Programmes	March 2020
v.	Full Safari operations programmes	Jan-Dec, 2020-2024

The above implementation timetable is considered reasonable and achievable because the management of the company has requisite experience to implement the programme..

## 8.0 Reinvestment Programme

The cost of implementing the proposed investment programme is estimated at USD 398,551.69. Of which it will be financed through equity contribution from the shareholders.

### 8.1. PROPOSED FINANCING PLAN

The cost for implementing the expansion is planned to be financed as indicated here below.

Local Equity	USD
Foreign Equity	200,272.22
Total	<u>198,279.47</u>
	<u>398,551.69</u>

The shareholders will have paid for all its capital requirement and working capital

### 8.2 Financial Results

On basis of assumptions contained in Annexure 1 through to 4, a summary, given below, of projected financial results of Suricata Safaris operations, as detailed in attachments 1, 2 and 3, show that the venture will be profitable.

### 8.3 Financial Projections:

USD:"

Year	2019	2020	2021	2022	2023	2024
Turnover	666,635	840,684	1,137,937	1,368,186	1,434,451	1,496,638
Gross Profit	108,000	138,684	222,646	370,086	383,541	396,796
Gross profit age	16.20%	16.50%	19.57%	27.05%	26.74%	26.51%
P/before tax	31,700	32,431	69,374	173,617	156,247	136,909
Year	2019	2020	2021	2022	2023	2024
Net Cash flow	291,603	52,684	169,731	247,493	264,395	243,128
Tax payments	7,771	18,041	44,267	48,177	42,523	36,439
Closing cash flow	291,603	344,287	514,019	761,512	1,025,907	1,269,035

Details of the company's financial performance are in attachments 1 to 3.

Comments on main features of the above-expected performance are given hereunder.

- a) Profit and Loss accounts – Attachment 1  
Over the projected period from the beginning of year 1 to end of year 2024, the turnover of Suricata Safaris is expected to grow from USD 0.840 million in year 1 to USD 1.496 million in the fifth year. Profit after tax is also expected to grow from USD 0.031 million in year 1 to USD 0.095 million in year 5.

b) Cashflow statements – Attachment 2. The cashflow of the tours operations shows that the Company will generate sufficient cash to meet all its financial obligations. The Company's closing cash balance is expected to grow from USD 0.291 million at the end of the first year of the operations to USD 2.142 million at the end of year 4.

c) Balance sheets – Attachment 3  
The Company's capital employed is expected to grow from USD 0.801 million at the end of year 1 to USD 1.467 million at the end of year 5.

The net worth of the company is expected to grow from USD 0.783 million at the end of the first year of its operations to USD 1.429 million at the end of year 5.

## **9.0 Economic Impact**

The economic impact of Suricata Safaris to the country is as stated hereunder.

### **9.1 Employment:**

First of all the tour is expected to provide direct employment to 26 people. Its operations also contribute in generating indirect employment in other sectors of the country's economy, such as the transportation and packaging sectors.

### **9.2 Government revenue:**

Operations of the tours are expected to generate various taxes to the government.

### **9.3 Environmental Impact**

The operations of the Company have no negative impact on the environment. All liquid waste will be disposed of through the cess pit that have been made. Other waste is collected and periodically picked up by refuse collection service that is dumping at their approved refuse dump pits.