



**BUSINESS PLAN  
PROPOSAL FOR OPENING A VOCATIONAL TRAINING CENTER AT KIPILI**

**Executive Summary:**

The aim of the project is to address the shortage of skilled labour in key industries in the entire region, thus addressing one of the main reasons for high unemployment and low productivity. By establishing a vocational training centre in the town of Kipili the supply of adequate labour force will be addressed in manufacturing industries with a high potential for growth.

Tanzania is experiencing unemployment coupled with Skills Shortage, unemployment rates are as high as 25%, with rates in commercial capitals even higher. At the same time, businesses across the region, employers complain that they cannot find enough skilled entry-level workers, given the low quality of education systems. We believe there is an opportunity to up-skill Tanzanians for employment job creating industries and level out the playing field such that locals can be recruited based on their industry-specific skill sets rather than their connections or paper qualifications (which the most disadvantaged Tanzanians do not have)

There are countless number of people at Kipili and in the entire region at large who are trying to acquire skills that will enable them increase their income hence pay their bills and ultimately become their own boss, and a vocational school & training center is just an ideal place they can get the journey started. The Training Center can contribute to several of the Poverty Reduction both in rural and urban areas. The focus will be on providing short courses, hands-on competency based training programs which equip trainees with skills, entrepreneurial acumen and productive competencies needed Strategic Action Plan (PRSAP) pillars, empowering the poor to generate income, macroeconomic stability, growth acceleration, human capital development, improving the quality of life and fair distribution of the benefits It has had a detrimental effect on young professionals across the country.

Today, the ever growing modernization of the world at large is increasing its demands for resources to support its growth. Unfortunately, the pressures of modernization and great increases in the technology sector have forced the African people of many nations to adapt to changes that are causing them to live out of balance with the land and harmony they once enjoyed for ages. The people of many African Nations are caught in the flux of modernization and how the quest for resources are reshaping their environments. The people of many African nations simply lack the education and coping skills to deal with all the demands placed upon them from the more advanced outside world. Ignorance and desperation have opened the doors for the people of these Nations to be taken advantage of and their resources to be exploited. This has been happening for hundreds of years and it is time to end.

## **PRODUCTS AND SERVICES WE OFFER:**

Our Vocational center will be accredited vocational school & training center that offers a wide range of services that revolves around the Trade and Technical Schools industry. These are some of the courses and services we will offer as a vocational school & training center,

Structural engineering

Marine engineering

Shop and Jobsite safety

Wood working,

Metal working including fabrication and machining

Structural steel work

Marine engineering and boat construction

Heavy equipment service maintenance and operation

General construction phases and techniques.

General auto and equipment maintenance and mechanical repair.

### **Vision Statement:**

- Our Vision is to become the number one and leading accredited vocational school & training center in Tanzania and to the entire world.

### **Mission Statement:**

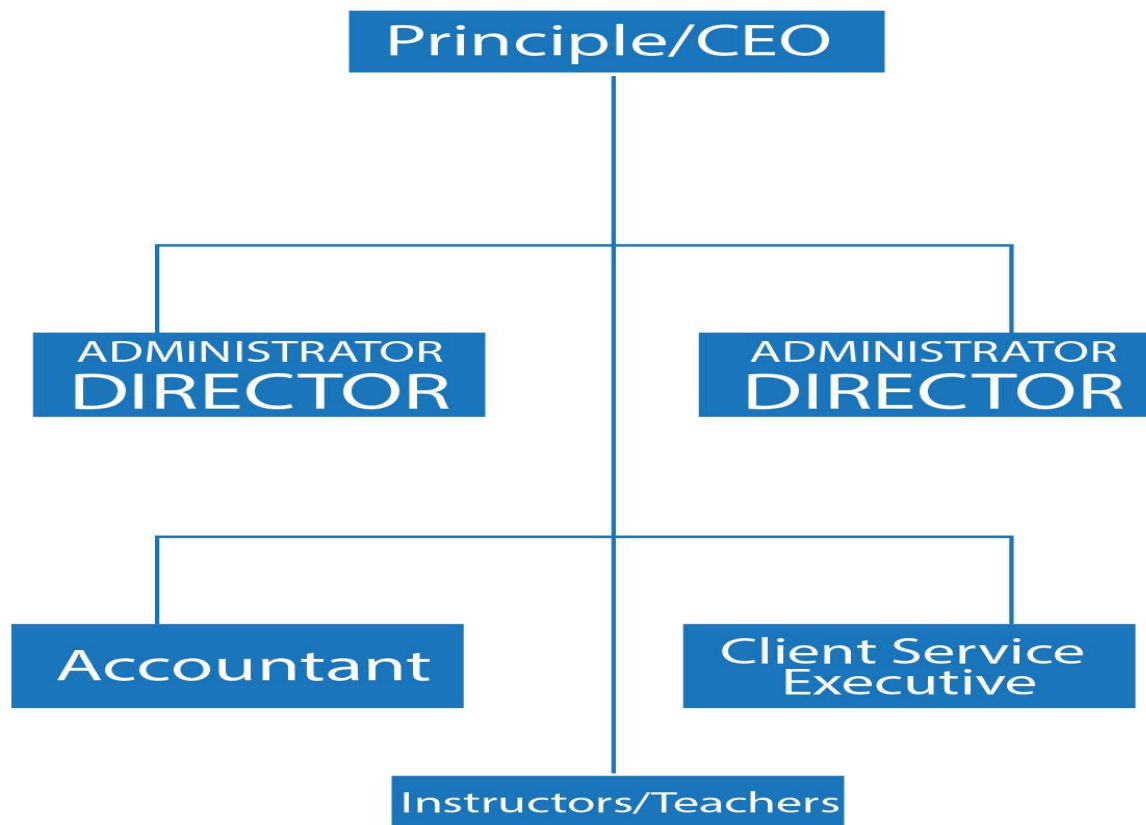
- Our Mission is to assist, educate, elevate and inspire the individuals to utilize their own gifts, talents and resources to improve their living conditions and to become a standard for an ideal vocational school & training center.

### **Business Structure:**

We are aware that the success of any business lies in the foundation on which the business is built on, which is why we have decided to build our vocational school & training center on the right foundation. We want to build a business of dedicated workforce who will go all the way to ensure that our students are satisfied and they get value for their money when they enroll in our training center. We aware that it takes a business with the right employees and structure to achieve all what we have set to achieve, which is why will be putting structures and standard operating processes in place that will help us deliver excellent trainings and run the business on auto pilot. We will employ professionals and skilled people to occupy different positions;

- Principal/ CEO
- Administrators/ Directors
- Instructors/ teachers
- Accountant
- Client and service Executive

### ORGANISATION STRUCTURE



## **SWOT ANALYSIS:**

The main intention of our company is not to launch out with trial and error hence there was a need to conduct a proper SWOT

We look forward to maximizing our strength and opportunities and also to work around our weaknesses and threats. Here is a summary from the result of the SWOT analysis that was conducted.

### **Strength:**

The vocational school and Training center will be centrally located in an area with the right or rather conducive climatic conditions and demographic composition for the kind of business we want to run. Moreover, the availability of sufficient land for the establishment of a school, another strength that counts for us is the power of our team, our workforce and management. We have a team that are considered experts in the vocational school line of business, a team of hardworking and dedicated individuals.

### **Weakness:**

We may have to face difficulties in bringing equipment and some of the school teaching facilities because Kipili is very remote and the roads are not paved. We may also have language barriers because some of our instructors or experts are not fluent in Swahili.

### **Opportunities:**

We are open to all the available opportunities that the region has to offer. The opportunities that are available to us cannot be quantified. Our business concept and staff strength also positioned us to accommodate more than 200 students per time. The truth is that there are no standard vocational school & training centers within the region; the closest to our proposed location is about 150km away. In a nutshell, we do not have any direct competition within our target market area, therefore the market is large. Political stability and good governance of Tanzania is also another hidden advantage of investing this vast project at Kipili.

### **Threat:**

Some of the threats that are likely going to confront our Vocational Training Center are unfavorable government policies. and the arrival of a competitor (another vocational training center). There is hardly nothing we can do as regards to this threats and challenges other than to be optimistic that things will continue to work for our good.

## **MARKET ANALYSIS:**

### **Market Trends:**

For any vocational training center that has generated good records and loads of positive testimonials from students who have passed through the school will always thrive. The goodwill that will be created by the school over first few years will play a big role in our marketing trends.

Since the Government has built more secondary schools all over Tanzania and a lot of young people who finish secondary education are not able to join universities, we expect an increasing number of vocational students in the near future, representing a potential opportunity for the industry.

### **Target Market:**

Prior to choosing a location for our vocational school & training center, we conducted thorough feasibility studies and market survey and we were able to identify those who will benefit greatly from our service offerings.

Essentially, the demographic and psychographic composition of those who require our services cut across individuals, school leavers, corporate organizations, aspiring entrepreneurs and religious organizations who need to acquire trade and technical skill sets.

### **Our competitive advantage:**

Our competitive edge is that we have the ability to quickly adopt new technology, we have access to highly skilled workforce and our location is in fact one of our major strengths because we are located with the right demography for the kind of business we run.

Another strength that counts for us is the power of our team and management. We have a team that are considered experts in the vocational school & training center line of business, a team of hardworking and dedicated individuals.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category 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 achieve all our business aims and objectives.

## **SALES AND MARKETING STRATEGY:**

We are quite aware that in order to expand our market scope, we should go beyond just traditional vocational training to a modern approach of training, teaching and learning. In view of that, we will set up very standard and modern teaching facilities/ machines hence this will help to market our services hence maximize our potential.

We are assured that our services will always be in demand not only by young or old people who could not make it to the university or college, but also by graduates who would want to start a skill-based business of their own. The truth is that if our vocational school & training center has loads of courses (trades) and is government approved, then we may not have to struggle to persuade students to enroll in our school.

Our vocational school will adopt the following strategies in marketing our courses and services,

- Introduce our business by sending introductory letters alongside our brochure to stake holders all over the region
- Advertise our vocational school in related magazines and websites.
- Attend related vocational seminars, and business fairs
- Leverage on the internet to promote our business
- Engage in direct marketing
- Encourage the use of Word-of-mouth marketing (referrals)
- Join local chambers of commerce and industry and other relevant groups to market our services.
- Advertise our vocational school & training center in relevant entertainment magazines, newspapers, TV and radio stations, online TV and social media at large.

### **SOURCES OF INCOME:**

This vocational school will be operated just like any other business enterprise for the purpose of maximizing profits hence we have decided to explore all the available opportunities within our range to achieve our corporate goals and objectives.

In essence we are not going to rely only on the tuition fees from our students to generate income for the business. The main sources of our income especially the initial capital is from the donors we have at hand. All the fund for the startup and operational costs for starting the vocational school is currently available. We will also generate income from the courses and services we will offer at the vocational Centre.

### **Sales Forecast / Projected financial income:**

We have analyzed our customers together with the courses and services we offer and we have come up with the following sales forecast;

Projected year-	2022	2023	2024	2025	2026
Revenue USD	100,000	200,000	300,000	400,000	500,000
Cost of sales	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Gross Profit	50,000	150,000	250,000	350,000	450,000

This projection is done based on the expected income from the tuition fees paid by students with the assumption that the first fiscal year we will only have 30 students, and the second year we will have 90 students and on the third year we will have 200 students, and there won't be any major economic meltdown and there won't be any major competitor offering same related services as we do within same location. A gradual growth is expected every year.

### **Pricing Strategy:**

We are aware that at Kipili and in Africa generally there are some students that would need special assistance because of poverty and financial crisis, we will offer flat rate for such courses and services that will be tailored to take care of such students' needs. The prices of our training services and certifications will be same as what is obtainable in the open market.

The vocational school will operate on the basis of student tuition with the options of enrollment through prepaid, post pay and scholarship programs.

### **Payment strategy:**

The payment policy adopted by our Vocational Training Center, 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 regulation in the United Republic of Tanzania. Here are the payment options that we will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via online bank transfer
- Payment via mobile money platforms
- Payment via Point of Sale Machines (POS Machine)
- Payment via check
- Payment via bank draft

## STARTUP EXPENDITURE (BUDGET)

Vocational school and Training Center is one among capital intensive projects as it requires structural buildings for sessions, you need fund to secure standard facilities, acquire different types of training machines and equipment, money is needed to pay workforce and different bills for a while until the revenue you generate from the business becomes enough to pay for the operational costs then break even and later realize profit.

### Expenses Projection

• Estimated fee for registering business in Tanzania	5,000.00
• Legal expenses for obtaining licenses and permits	2,000.00
• Marketing promotion expenses	1,000.00
• The total cost for hiring Business Consultant	1,000.00
• The total cost for leasing land for the business	70,000.00
• Total cost for building labs, houses, admn block etc	440,000.00
• The total cost for equipping our labs	100,000.00
• Depreciation, services & mantainance	8,000.00
• Operational cost for the first fiscal year (salaries of employees, payments of water, electricity and phone bills, stationary etc)	200,000.00
• The cost for the purchase of furniture and gadgets (Computers, Printers, Telephone, TVs, Sound System, tables and chairs et al)	10,000.00
• Miscellaneous	<u>20,000.00</u>
Total:	855,000.00 USD

Going by the report from the market research and feasibility studies conducted, we will need approximately two billion (Tsh. 2,000,000,000/=) to successfully set up a medium scale but standard vocational school & training center business at Kipili Tanzania.

### Generating Funds:

The Vocational Training Center is owned and managed by SLANAIGH ENGINNEERING & DEVELOPMENT LTD. They are the financiers of the business which is why they decided to restrict the sourcing of the startup capital for the business to just three major sources.

- Generate part of the startup capital from personal savings
- Generate part of the startup capital from friends and donors
- Generate some amount of the startup capital from the bank (loan facility).

**N.B:** We have been able to generate about Three hundred million (tsh. 300,000,000/= ) from Personal savings and we are at the final stages of obtaining funds from our financial donors.

**Implementation Schedule of The Project:**

	<b>1<sup>st</sup> Phase</b>	<b>2<sup>nd</sup> Phase</b>	<b>3<sup>rd</sup> Phase</b>
<b>Time</b>	First 3 Months	4 <sup>th</sup> Month	5 <sup>th</sup> Month
<b>Activity</b>	Construction and machine setup for the vocational center.	Equipping the Center with furnishings and final setup.	Official start of the Vocational training center.

**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 the business structure. If all of these factors are missing from a business, then it won't be too long before the business shuts down.

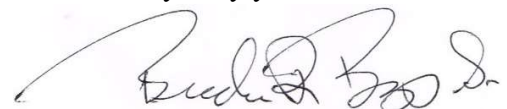
One of our major goals of starting Vocational Training Center at Kipili is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to offer our vocation and trade training services a little bit cheaper than what is obtainable in the market and we are prepared to survive on lower profit margin for a while.

SLANAIGH ENGINEERING & DEVELOPMENT LTD will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and retraining of our workforce is at the top burner.

As a matter of 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 three years or more. We know that if that 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.

Very truly yours,



Director: CEO  
 Slanaigh Engineering and  
 Development Limited  
 brenden@slanaigh.com