

# **QINSTON TECHNOLOGIES LIMITED**

## **Business Plan**

**TANZANIA INVESTMENT CENTRE**

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## 1. Introduction

### 1.1 Executive Summary: Investment Objective, Sector and Products

This new business venture is a company with the main objective of providing cutting-edge information technology and management solutions to our clients. We also intend to use the technology developed in-house for our property management solution offering to our customers as well. In addition to our core services, we also plan to offer advisory/consulting, including training and technical support services.

The two main sectors the company will focus on initially are technology and real estate. The company seeks to unlock value through the fusion of advanced technology, business strategy, real estate, advisory/consulting and highly personalized customer service. The company intends to offer the following products and services: enterprise application solution delivery which will entail enterprise resource planning, business performance management, enterprise data governance and a host of other enterprise solutions. The offering would also include application development, data analytics & data science, machine learning, cloud solutions, information and risk management. On the real estate side, the company intends to provide simple but personalized real estate and property management solutions to its clients.

This new business is working to serve technology solutions by bringing forward innovative analytics, frontier applications and smart algorithms to facilitate better connections between clients and end-users, elevating the customers experience along the way. One of our objective is to enable clients across their respective verticals to be able to focus on what they do best and spend their time on just that, rather than repetitive monotonous tasks which will be streamlined and optimized with our solution offerings. We are starting with information technology and real estate and plan on expanding into other verticals over time.

Our market segmentation approach will be based on organization size and by solution. The organization size of interest will be medium and large sized enterprises. Our customer lifetime value analysis and calculations support the decision to go with this customer segment. These relational value customers put more weight on value vectors such as: personalized treatment, tailored offerings, integrated solutions and service excellence. Hence, we intent to approach the target market with solution offerings at very competitive rates but backing this with outstanding service and performance.

Our market segmentation by solution approach would see us adopting a focus strategy on information technology and management solutions in the early stages of the venture. We chose this target solution segment because our research shows that this are one of the top pressing needs.

We would use partnerships as a market development approach, seeking out strategic partnerships with established companies that share similar target market segments and discovering ways to provide value back to the partners. We anticipate that these partnerships would help scale our new venture and grant us access to a broader audience.

## 2. Business Strategy

### 2.1. Mission & Strategy

We are on a mission to be the most customer-centric information technology and property management and investment company, empowering our clients with advanced analytics to proactively manage their information systems, as well as the application of cutting-edge technology to drive investment opportunities in real estate. We will do this by delivering the best technology, solutions and user experience in these fields. Our overall approach will be to focus on the identified segments, differentiating our selves through exceptional customer service and cost effective pricing for our clients.

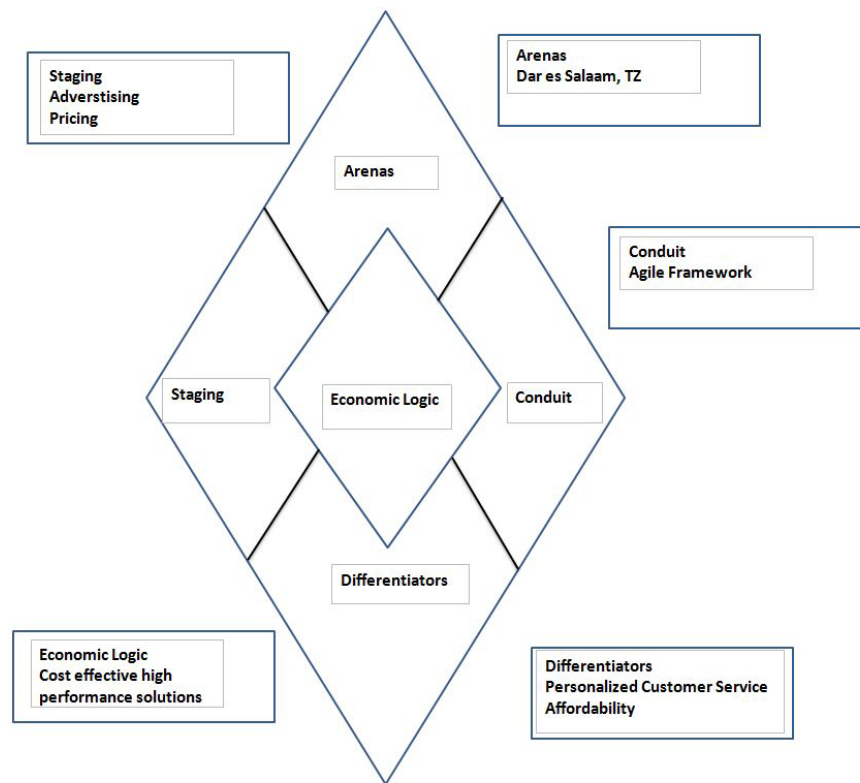


Exhibit 1. Company Strategy

### 2.2. Strategic Relationships and Partnerships

Competing with established companies in the industry can be a very daunting tasks, as these organizations have the brand recognition, deep pockets, and resources. As a new venture we are not looking to compete with the big players in the field, rather we would look to identify areas

and opportunities were we could work together. We intend to use our strategic relationships and partnerships as a market development approach.

Seeking out strategic partnerships with established brands that share similar target market segments and discovering ways to provide value back to the partners.

However, our strategic relationships and partnerships initiative is not just focused on the industry big players alone. We would look to partner with other companies like ourselves, where synergies and opportunities exists for offering complementary services. We anticipate that these partnerships would help scale our new venture, build our brand reputation and grant us access to a broader audience and perhaps new markets.

### 2.3. Product and Service Description

On the technology side, our new venture will provide clients with digital transformation solutions that help optimize and streamline their business operations. Providing solutions such as enterprise resource planning, advanced analytics and business performance management solutions. On the real estate side, our new venture will provide high quality and suitable real estate for clients, as well as leverage various technologies developed in-house to streamline and optimize property management services. In addition to the aforementioned we plan to offer advisory, consulting and training services.

## **3. Financials**

### 3.1. Investment Costs and Sources of Finances

The total investment cost over a five year period is estimated to be \$500,000. The capital will be provided by the founders of the company.

### 3.2. Capital Structure Plan

#### 3.2.1. Five Year Financial Projection

The table in the appendix summarizes key assumptions we have made in putting together the five year income projection. For the first year we are assuming the sales would increase by 67% , with a 100% increase in sales the following year. We anticipate a slight decline in sales through the fourth year and fifth year of about 50% and 33% respectively. Detailed information on the income statement can be seen in Exhibit 1 of the appendix.

### 3.2.2. Projected Balance Sheet

Detailed information on the balance sheet can be seen in Exhibit 2 of the appendix.

## **4. The Five Year Plan**

### 4.1. Administrative Plan

#### 4.1.1. Intellectual Property

Intellectual property protection is an imperative aspect of our administrative plan. As our startup company evolves and we develop new innovative solutions and products we intend to file for patent protection early on in the development stage.

We believe that having such an effective intellectual property strategy would help support our business goals and protect our inventions. The intellectual property strategy and plan could also help to attract potential investors in the future, since it may serve as an entry barrier against competition, deterring would-be competitors or forcing them to adopt different designs and technologies. By filing a patent we will be able to advertise "patent pending" along with our products and services, which is an added bonus. In the future, the business can create an additional source of revenue from licensing these patents.

#### 4.1.2. Staffing and Management Plan

It is estimated that the company would create over 20 job opportunities, this include full time staffs, contractors and other indirect job opportunities. Our staffing and management plan for the initial year entails hiring three full time staff, with the addition of the founders makes it five employees in total in the inception stage. After that, we plan on increasing the staff number to five making it a total of seven. To implement our strategic business initiative we intend to bring on board dedicated individuals who we will train if needed to bring them up to speed on the company's service offerings.

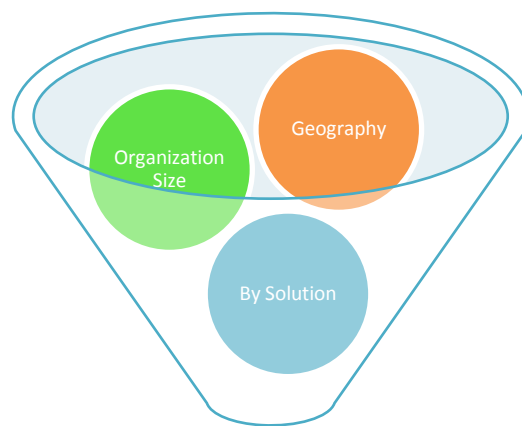
#### 4.1.3. Accounting

To ensure consistency and accuracy of financial statements, Generally Accepted Accounting Principles framework will be used and an independent audit company will be appointed.

## 4.2. Sales and Marketing Plan

### 4.2.1. Marketing Strategy, Segmentation and Implementation

Our market segmentation approach will be based on geography/region, organization size and by solution. The new venture will focus on the Tanzania geographical segment, specifically on major cities across the country, as this segment is the highest revenue generating geography according to research analysis. By organization size, we narrowed it down to medium and large sized businesses, our detailed analysis show that this segment has more opportunity and more profitable to pursue than other enterprises.



Target Segment:

Region: **Tanzania**

Organization Size: **Medium & Large Sized Enterprises**

Solution offering: **Information Technology and Management Solutions**

Exhibit 3. Market Segmentation Approach

## 4.2.2. Sales Strategy

### 4.2.2.1. Sales Forecast

Our sales forecast are based on conservative estimates, we anticipate roughly 67% growth and 100% growth in sales in the first and second year respectively, however, for subsequent years we foresee a steady decline in growth as more competition break into the market.

### 4.2.2.2. Strategic Alliances

We have meticulously researched and identified several potential strategic partners. To arrive at a short-list we examined several factors such as: how long it would take for a successful inter-company collaboration and perceived mutual benefits. We anticipate these partnerships would help us scale faster, grant access to more client, greater resources, more distribution channel and potentially increase in revenue.

## 4.3. Implementation Schedule - Product and Service Development and Testing Plan

The time to market for the service offering solutions is very critical for our new venture, hence we will develop and test the solution prototypes very quickly. Our service & product development and testing plan would be based on industry best practices. We would use an iterative System Development Lifecycle (SDLC) methodology backed with a solid Agile Framework which includes the following stages and value events as depicted in the exhibit below:

**Planning, Requirements Gathering & Analysis:** The founder of the new venture will take early action to elicit, interview, understand and gather requirements from representative customers in the target market. A requirement specification document will be created which will serve as an input in the design phase.

**Design:** The founder being a subject matter expert in information technology and management will come up with the initial design and technical configuration of the solution offering, translating the requirement document into technical/functional specification.

**Development:** In accordance with best practices the new venture will implement a rapid application and iterative development approach. Getting the prototype solution as soon as possible in the hands of some customers for pilot testing and feedback. In addition feedback mechanism will be created to drive the agile and responsive change management within the firm, ensuring that improvement suggestions from clients are factored into the next solution build quickly and efficiently, thus reducing the overall time to market.

Testing: After development, the solution will be thoroughly tested before deployment. The testing would ensure the solution meets requirements elicited in the previous phases. Testing will include: unit testing, system testing and user acceptance testing.

Deployment: After the solution has been successfully tested, it will be operationalized and deployed/released to customers.

Ongoing Support: The feedback mechanism will be heavily utilized here to ensure the product and services remains relevant to customer needs.

Below is the product development and testing schedule, there is some overlap between phases as an iterative agile methodology would be used in accordance with best practices.

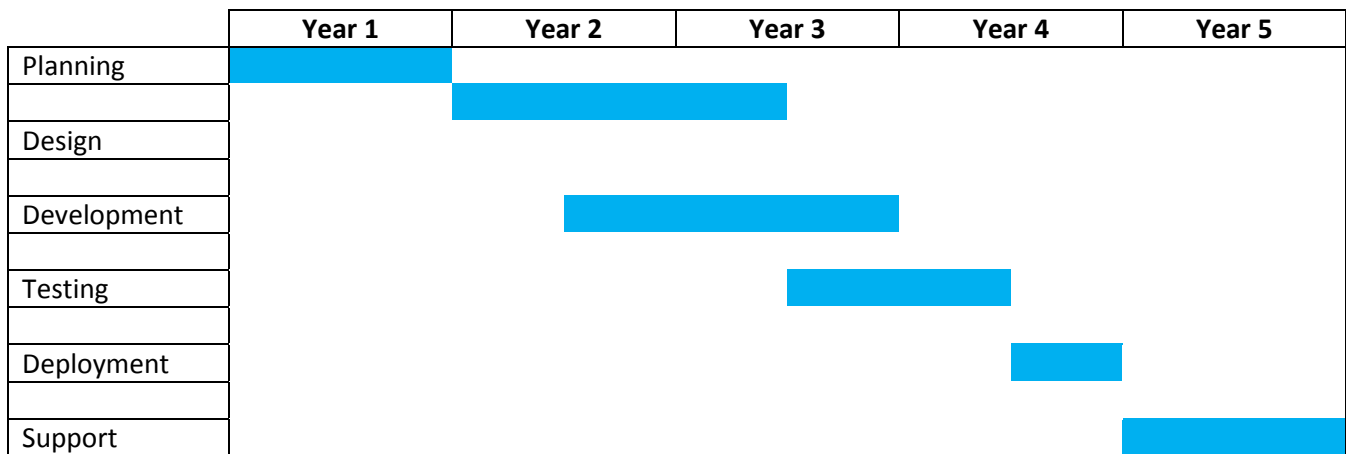


Exhibit 4. Implementation Schedule

### IT Operating Model

As a startup we strive to run a highly integrated business process/data regime, from our customer relationship management application which is directly linked to our enterprise resource planning application, to our operational data logs which seamlessly integrates with our information management system, and our enterprise analytical reporting system which consolidates all the data. With such high metrics on business process integration and on business process standardization, we find ourselves currently in the Unification quadrant of the IT operating model framework.

We standardized on a business intelligence platform to provide end-users with seamless navigation between business modules. This would help increase the efficiency of business processes and boost the productivity of our staffs. The centralized platform provides sophisticated analytics, intuitive data-discovery capabilities, automated and personalized report distribution across the enterprise, and data-driven workflow applications to mobile users. All this would help reduce the cost for data management and storage, ensuring increased visibility across all lines of business and lead to a significant increase in system performance.

For now there are no anticipated changes to the operating model of the new venture. The unification operating model would allow us to reduce data complexity, by shortening the number of potential interfaces between applications in the firm. It would provide a uniform and consistent data basis, which ensures high data integrity across the firm. It also would ensure alignment and reusability of process and modeling logic, while providing real-time information delivery, and facilitating better business decisions.

### IT Strategic Grid

This new venture has a high operational dependence on information technology, our cloud based software as a service solution is powered by huge IT infrastructures and applications, as we guarantee our clients and plan to maintain a top service level agreement for all our cloud applications offering. We use artificial intelligence, cloud computing and big data processing to streamline the system operations and networks of our clients, as such IT is core to our value proposition as a company. The founder and management team will play an active role and will be directly involved and responsible for developing and implementing the IT strategy. With the advent of new decentralized networks and technologies as a more efficient, cost-effective and secure way of storing information and effecting transactions, the founder has made a strategic decision to integrate this new cutting-edge technology into future platform offerings.

Currently, the startup is in a turnaround phase with a high operational dependence on information technology but medium information technology strategic value, placing it well in the turnaround quadrant of the IT Grid. However, there are future plans to transition to a strategic phase where it would start leveraging IT as a market enabler, taking advantage of emerging technologies, building robust and agile systems and directly linking the business strategy with IT strategy, please refer to Exhibit 3 in the Appendix for the IT Strategic Grid Framework.

Appendix:

INCOME STATEMENT					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Sales</b>	<b>\$15,000</b>	<b>\$25,000</b>	<b>\$50,000</b>	<b>\$75,000</b>	<b>\$100,000</b>
Cost of Sales	\$12,000	\$19,500	\$22,000	\$30,000	\$40,000
<b>Gross Profit</b>	<b>\$3,000</b>	<b>\$5,500</b>	<b>\$28,000</b>	<b>\$45,000</b>	<b>\$60,000</b>
<b>Operating Expenses</b>					
SG&A	\$7,000	\$8,500	\$9,000	\$11,000	\$15,000
Payroll Expense	\$9,000	\$18,000	\$18,000	\$27,000	\$27,000
Miscellaneous	\$5,500	\$3,500	\$2,750	\$4,000	\$7,000
Depreciation	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
<b>Total Operating Expenses</b>	<b>\$36,500</b>	<b>\$45,000</b>	<b>\$44,750</b>	<b>\$57,000</b>	<b>\$64,000</b>
<b>EBIT</b>	<b>(\$21,500)</b>	<b>(\$20,000)</b>	<b>\$5,250</b>	<b>\$18,000</b>	<b>\$36,000</b>
Taxes	(\$6,450)	(\$6,000)	\$1,575	\$5,400	\$10,800
<b>Net Income</b>	<b>(\$15,050)</b>	<b>(\$14,000)</b>	<b>\$3,675</b>	<b>\$12,600</b>	<b>\$25,200</b>

Exhibit 1. Income Statement

<b>BALANCE SHEET</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Assets</b>					
Current Assets					
Cash	\$17,000	\$20,000	\$12,000	\$15,000	\$15,000
Other Assets	\$150,000	\$150,000	\$100,000	\$50,000	\$50,000
Total Current Assets	\$167,000	\$170,000	\$112,000	\$65,000	\$65,000
<b>Total Assets</b>	<b>\$167,000</b>	<b>\$170,000</b>	<b>\$112,000</b>	<b>\$65,000</b>	<b>\$65,000</b>
<b>Liabilities and Capital</b>					
Accounts Payable	\$110,000	\$120,000	\$70,000	\$20,000	\$23,000
<b>Total Liabilities</b>	<b>\$110,000</b>	<b>\$120,000</b>	<b>\$70,000</b>	<b>\$20,000</b>	<b>\$23,000</b>
Paid in Capital	\$57,000	\$50,000	\$42,000	\$45,000	\$42,000
<b>Total Liabilities and Equity</b>	<b>\$167,000</b>	<b>\$170,000</b>	<b>\$112,000</b>	<b>\$65,000</b>	<b>\$65,000</b>

Exhibit 2. Balance Sheet Statement

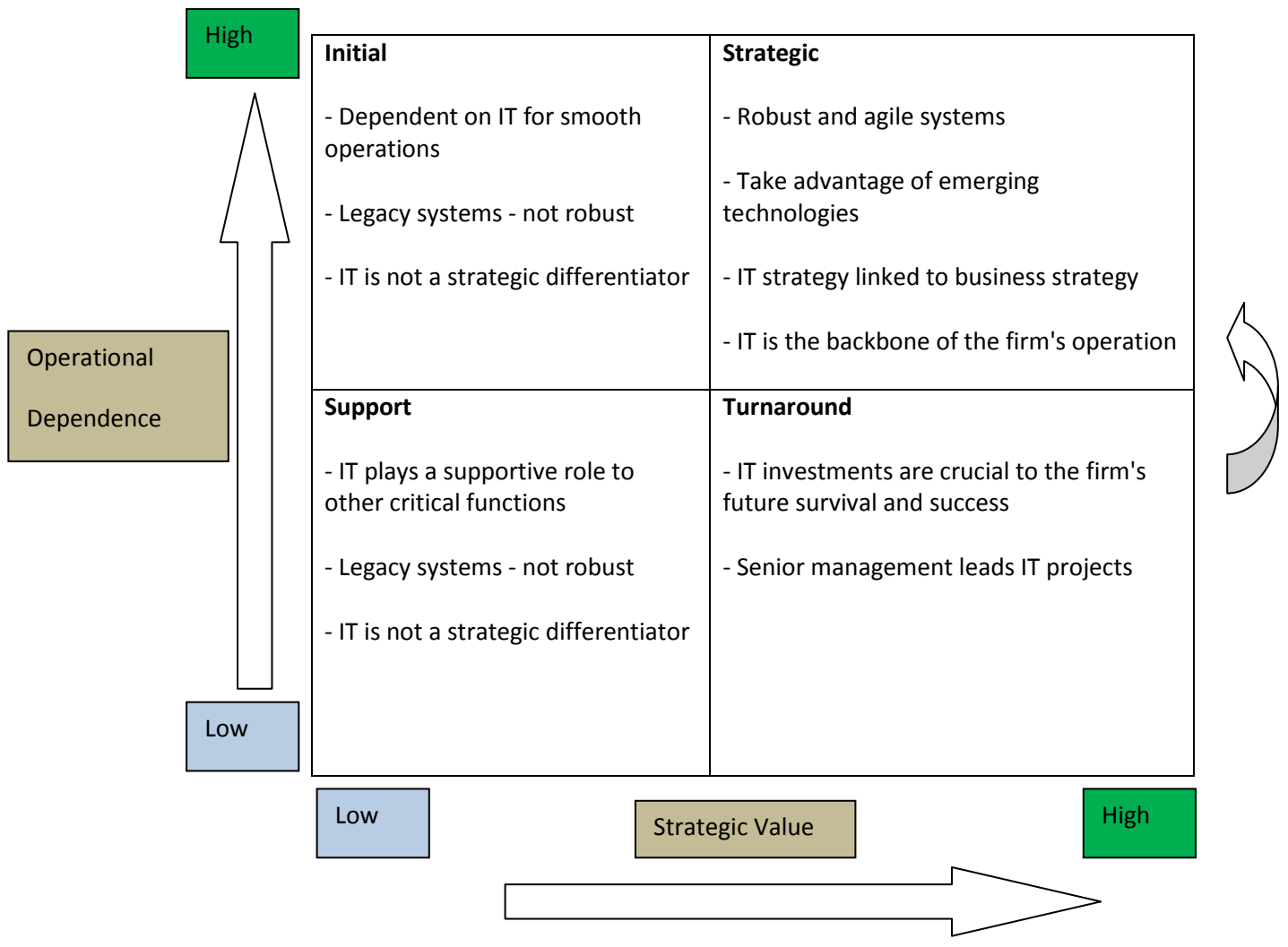


Exhibit 3. IT Strategic Grid.