

Business plan for Skymark Plaza Vocational Technical Centre

Plot No 238-241 Temeke Dar es Salaam along Nyerere Road

1. Industry Overview

Vocational school and training centre falls under the Trade and Technical Schools industry, and it comprises of schools that offer vocational and technical training in a wide range of technical subjects and trades. The trainings offered by trade and technical schools often lead to job-specific certification.

Instruction may be provided in diverse settings, such as the company's training facilities, the workplace, the home or through distance-learning methods. Key areas in this industry include information communication technology, food and beverage, housekeeping, language learning and other technical training.

High unemployment has caused individuals to seek out further education, while employers are increasing their training requirements to remain competitive. Going forward, decreasing unemployment rates combined with the increasing tuition of four-year colleges will both boost enrolment in vocational training, and hamper industry growth.

Statistics has it that in Tanzania alone, there are about 466 NACTE registered and licensed (accredited) trade and technical schools scattered all across the country responsible for employing about 127,260 people (Source NACTE)

A recent report released by IBISWorld shows that the Trade and Technical Schools industry operates in a countercyclical manner. The report shows that the industry revenue grew significantly as a result slow economic growth earlier over the five years to 2016, but has suffered subsequently. Sluggish economic activity helped the industry to grow as the unemployed sought professional training to improve their job prospects.

As national unemployment has decreased however, so has industry revenue. The report further stated that in recent years, the restructuring of the Tanzania economy has accelerated. Service industry professions are in higher demand than ever, while growth in manufacturing continues to fail to impress. As a result, individuals displaced by major economic change are still retooling their skillset.

Due to the fact that it is stressful to get government accreditation for a standard vocational school & training Centre in Tanzania, it will be safe to say the industry is under saturated. It is important to state that entrepreneurs who are into training people on various trade/skills such as how to drive, how to play musical instrument, how to cook and how to dance et al can easily be found without stress.

Some of the factors that encourage entrepreneurs to start their own vocational school & training Centre despite the fact that the business is challenging could be that the business is highly profitable, they can easily get funding and support from government and charity organizations and the business can be started in any part of the world.

Starting a vocational school requires professionalism and good grasp of the trade you want to teach people. Besides, you would need to get the required certifications and license (accreditations) and also meet the standard for such business before you can be allowed to start. One good thing about the Trade and Technical Schools industry is that there is readily available market for their services. So, if you are well positioned and you know how to impart skills to students, you will always smile to the bank.

2.Executive Summary

Skymark Plaza Vocational Training Centre is a registered and accredited trade and technical school that will be located in Temeke Dar es Salaam. We are registered under the Tanzanian Government. We are well equipped to train people on various technical and vocational skills. We are set to offer vocational and technical trade trainings such as Information Communication technology; Beauty and cosmetology training; Design, sewing and cloth technology; Food and beverage services and sales; Beauty Therapy; House Keeping and Laundry; Hair dressing and saloon management; and English and other languages training.

At Skymark Plaza Vocational Training Centre we are passionate in the pursuit of excellence and financial success with uncompromising services and integrity which is why we have decided to start our own vocational school & training Centre in Temeke Dar es Salaam along Nyerere road at plot No 238-241.

We are quite optimistic that our values and quality of service offering will help us drive our Centre to enviable heights and also help us attract the number of students that will make the business highly profitable.

We are in the Trade and Technical Schools industry to favourably compete with other leading brands in the industry including the public VTCs. Our corporate business goal is to be among the top 5 vocational school & training Centres in the United Republic of Tanzania.

As a company, we are willing to go the extra mile to invest in some of the finest professionals we can find and also, we have put process and structures in place that will ensure that we are always at the top of our game when it comes to impacting knowledge. We have been able to secure permits from all relevant departments in Dar es Salaam.

We are quite aware that in order to become the number one choice in our city, we must continue to deliver quality and safe trainings and that is exactly what we will do.

Skymark Plaza Vocational Training Centre is owned and managed by Mr Pratih Kakkard and other members of his family.

3. Our Products and Services

Skymark Plaza Vocational Training Centre is a NACTE accredited vocational school & training Centre that offers a wide range of services that revolves around the Trade and Technical Schools industry. These are the services we will offer as a vocational school & training Centre;

- Information Communication technology;
- Beauty and cosmetology training
- Design, sewing and cloth technology;
- Food and beverage services and sales;
- Beauty Therapy;
- House Keeping and Laundry;
- Hair dressing and saloon management; and
- English and other language training.

4. Our Mission and Vision Statement

- Our Vision is to become the number one government approved vocational school & training Centre in Dar es Salaam; and
- Our mission as a government NACTE approved vocational school & training Centre is to develop a highly successful, and profitable vocational school & training Centre which provides quality training in our community and to become a standard for an ideal vocational school & training Centre.

Our Business Structure

Skymark Plaza Vocational Training Centre is 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 Centre 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 enrol in our training Centre. 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.

Skymark Plaza Vocational Training Centre will employ professionals and skilled people to occupy the following position;

- Head of The School/School Coordinator
- School Administrator
- Instructors
- Accountant
- Marketing and Sales Executive
- Client Service Executive

5. Job Roles and Responsibilities

Head of the School / School Coordinator:

- 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
- Creates, communicates, 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 fixing prices and signing business deals
- Responsible for providing direction for the business
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization
- Reports to the board

School Administrator

- Responsible for overseeing the smooth running of HR and administrative tasks for the school
- Regularly hold meetings with key stakeholders (students and member of the school board) to review the effectiveness of the schools' Policies, Procedures and Processes
- Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defines job positions for recruitment and managing interviewing process
- Carries out induction for new team members
- Responsible for training, evaluation and assessment of employees
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- Oversees the smooth running of the daily activities of the school.

Instructors

- Responsible teaching students based on the vocation they enrolled for.
- Accesses the progress of students under their care
- Ensures that students abide by the rules and regulations of the regulating bodies in Tanzania;
- Contributes his/her quota towards growing the school
- Receives complaints from students and channel it to the appropriate quarters
- Handles any other duty as assigned by the school coordinator.

Marketing and Sales Executive

- Identifies, prioritizes, and reach out to new students, and business opportunities et al
- Identifies development opportunities; follows up on development leads and contacts
- Develops, executes and evaluates new plans for expanding increase sales
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the school.

Accountant

- 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 students and visitors by greeting them in person or on the telephone; answering or directing inquiries.
- Ensures that all contacts with clients (e-mail, walk-In Centre, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with students on the phone, uses every opportunity to build client's interest in the company's products and services
- Consistently stays abreast of any new information on the schools' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to students when they make enquiries
- Distributes mails in the organization
- Handles any other duties as assigned by the school authority

6.SWOT Analysis

In Tanzania vocational school & training Centre is one of the many businesses that can easily generate business deals with little stress as long as they are well positioned. We are building a standard vocational school & training Centre with various training areas which is why we have decided to subject our business idea to SWOT Analysis.

Ordinarily we can successfully run a normal vocational school & training Centre without the stress of going through the required protocol of setting up a new business, but because of the nature of the vocational school & training Centre we want to establish, we don't have any option other than to follow due process.

We hired the services of a HR and Business consultant with bias in startups to help us conduct SWOT analysis for our company and she did a pretty job for us. Here is a of the result we got from the SWOT analysis that was conducted on behalf of Skymark Plaza Vocational Training Centre;

- **Strength:**

Skymark Plaza Vocational Training Centre is centrally located in an area with the right climatic conditions and demographic composition for the kind of business we want to run. 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:

Skymark Plaza Vocational Training Centre is a new business and we may not have the financial muscle to acquire the latest equipment needed to train students, to attract and retain the best hands in the industry and also to sustain the kind of publicity we want to give our business.

- **Opportunities:**

We are centrally located in one of the busiest areas in Temeke Dar es Salaam and we are open to all the available opportunities that the city has to offer. Our business concept and staff strength also positioned us to accommodate over 100 students per time.

The truth is that there are no standard vocational school & training Centres within our area; the closest to our proposed location is about 10 miles away. In a nutshell, we do not have any direct competition within our target market area.

- **Threat:**

Some of the threats that are likely going to confront Skymark Plaza Vocational Training Centre are seasonal fluctuations, demographic/social factors, downturn in the economy which is likely going to affect consumers spending and of course emergence of new competitors within the same location where our vocational school & training Centre is located.

7. Market Analysis

- **Market Trends**

The truth is that any vocational school & training Centre that has good records and loads of positive testimonials from students who have passed through the school will always thrive.

Another common trend in the industry is that in the bid to survive global economic meltdown and to ensure steady flow of income to effectively run the business, most players in the industry engage in other related services. Some of them even go as far as establishing agency services to provide professional and certified pilots for clients and some also offer specialized training for executive students.

It is a known pattern that as unemployment declines, demand for courses provided by this industry will drop, as further education and training become less essential to finding employment. The national unemployment rate is expected to decrease significantly over 2022, posing a serious potential threat to the industry.

As a matter of fact, about half of total government postsecondary education comes from state governments while federal contributions comprise mostly of grants bestowed on universities to be used for specific research. A rise in government funding for universities will cause enrolment in technical and trade schools to grow, as government funding typically increases affordability for students who need education loans. Government funding for universities is expected to increase over 2022, representing a potential opportunity for the industry.

8. Our Target Market

Prior to choosing a location for our vocational school & training Centre, 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**

In spite of the fact that vocational schools scale through hurdles before they are established does not mean that there are no real competitions in the industry. The truth is that no matter the line of business that you are involved in, as long as it is called business, you will definitely face one form of competition or the other and vocational school & training Centre is not an exemption.

So, if you are looking towards setting up this type of business, it is advisable to do your due diligence before launching the business if indeed you want to succeed.

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 Centre 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.

9. Sales And Marketing Strategy

- **Sources of Income**

Skymark Plaza Vocational Training Centre is established with the aim of maximizing profits in the Trade and Technical Schools industry and we are going to ensure that we do all it takes to attract both individual clients and corporate clients on a regular basis.

Skymark Plaza Vocational Training Centre will generate income by offering the following services;

- Information Communication technology;
- Beauty and cosmetology training
- Design, sewing and cloth technology;
- Food and beverage services and sales;
- Beauty Therapy;
- House Keeping and Laundry;
- Hair dressing and saloon management; and
- English and other languages training.

10. Sales Forecast

We are well positioned to take on the available market in and around Dar es Salaam and we are quite optimistic that we will meet our set target of generating enough income/profits from the first six months of operation and grow our vocational school & training Centre and our student base.

We have been able to examine the vocational school & training Centre, market we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. Below are the sales projections for Skymark Plaza Vocational

Training Centre, it is based on the location of our business and of course the wide range of related services that we will be offering;

- **First Fiscal Year:** \$375, 000
- **Second Fiscal Year:** \$412, 500
- **Fifth Fiscal Year:** \$549,037

N.B: This projection was done based on what is obtainable in the vocational school & training Centre line of business and with the assumption that 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. 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 strategy adopted by Skymark Plaza Vocational Training Centre is going to be driven basically by excellent customer service and quality training delivery. We will ensure that we build a loyal customer base.

We want to drive sales via the output of our jobs and via referral from our satisfied students. We are quite aware of how satisfied students drive business growth especially businesses like vocational school & training Centres and related services.

Skymark Plaza Vocational Training Centre is strategically located and we are going to maximize the opportunities that is available which is why we spent more to locate the business where it will be visible and accessible to our target market.

Our sales and marketing team will be recruited based on their vast experience in the industry and they will be trained on a regular basis so as to be well equipped to meet their targets.

Our goal is to grow Skymark Plaza Vocational Training Centre to become the leading vocational school & training Centre in Temeke Dar es Salaam which is why we have mapped out strategies that will help us take advantage of the available market and grow to become a major force to reckon with in our line of business.

Skymark Plaza Vocational Training Centre is set to make use of the following marketing and sales strategies to attract clients;

- Introduce our vocational school & training Centre by sending introductory letters alongside our brochure to schools and other key stake holders in and around Dar es Salaam.
- Print out fliers and business cards and strategically drop them in offices, libraries, public facilities and train stations et al.
- Use friends and family to spread word about our business
- Post information about our vocational school & training Centre and the services we offer on bulletin boards in places like schools, libraries, and local coffee shops et al
- Place a small or classified advertisement in the newspaper, or local publication about our vocational school & training Centre and the services we offer
- Leverage on referral networks
- Advertise our vocational school & training Centre in relevant entertainment magazines, newspapers, TV and radio stations.
- Attend relevant expos, seminars, and business fairs et al to market our services

- Engage in direct marketing approach
- Encourage the use of Word-of-mouth marketing from loyal and satisfied students
- Join local chambers of commerce and industry and other relevant groups to market our services.

11. Publicity and Advertising Strategy

Skymark Plaza Vocational Training Centre is set to create a standard for the vocational school & training Centre business not only in Dar es Salaam, but throughout Tanzania which is why we will go all the way to adopt and apply best practices to promote our business.

Good enough there is no hard and fast rule on how to promote a vocational school & training Centre business. Here are the platforms we intend leveraging on to promote and advertise Skymark Plaza Vocational Training Centre, Encourage our loyal customers/students to help us use Word of Mouth mode of advertisement (referrals)

- Advertise our vocational school in relevant aviation magazines, local newspaper, local TV and radio stations
- Promote our vocational school online via our official website
- List our vocational school on local directories (yellow pages)
- Sponsor relevant community programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, et al to promote our brand
- Install our billboards on strategic locations all around Dar es Salaam
- Direct coupon mailing approach
- Distribute our fliers and handbills in target areas
- Ensure that all our staff members wear our customized clothes, all our mini – aircrafts, and official cars are customized and well branded.

12. Our Pricing Strategy

At Skymark Plaza Vocational Training Centre we will keep our fees below the average market rate by keeping our overhead low and by collecting payment in advance.

We are aware that there are some students that would need special assistance, we will offer flat rate for such 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.

• Payment Options

The payment policy adopted by Skymark Plaza Vocational Training Centre 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 Tanzania.

Here are the payment options that Skymark Plaza Vocational Training Centre will make available to her clients;

- Payment via bank transfer
- Payment via online bank transfer
- Payment via mobile money platform

- Payment via Point-of-Sale Machines (POS Machine)
- Payment via cheque
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for registering and services rendered without any stress on their part. Our bank account numbers will be made available on our website and promotional material.

13. Investment Breakdown and Projected Income Statement

If you are looking towards starting a vocational school & training centre, then you should be ready to raise enough capital to cover some of the basic expenditure that you are going to incur. You will need money to secure a standard facility, acquire different types of training machines and equipment, acquire license and permits, relevant software apps and you will need money to pay your workforce and bills for a while until the revenue you generate from the business becomes enough to pay them.

We have been able to pull cash that will be enough for us to successfully launch a standard and NACTE approved vocational school & training Centre in Dar es Salaam Tanzania. The items listed below are the basics that we would need when starting our vocation school and trade Centre in Tanzania, although costs might vary slightly;

Going by the report from the market research and feasibility studies conducted, we will need about seven hundred and fifty thousand (**500,000**) U.S. dollars to successfully set up a medium scale but standard vocational school & training Centre business in Tanzania.

Generating Funds/Startup for Skymark Plaza Vocational Training Centre,

Skymark Plaza Vocational Training Centre is owned and managed by Pratih Kakkard and other members of the faculty. They are the financiers of the business which is why they decided to restrict the sourcing of the start-up capital for the business to just three major sources.

- Generate part of the start-up capital from shareholders equity;
- Generate a larger chunk of the start-up capital from the bank (loan facility).

Investment breakdown-We have been able to generate about **\$200,000** from shareholders' equity and we are at the final stages of obtaining a **loan facility of \$300,000** from our bank.

SKYMARK PLAZA TRAINING CENTRE

Projected Income Statement

[USD \$]

	2022	2023	2024	2025	2026
Revenue stream 1	375,000.0	412,500.0	453,750.0	499,125.0	549,037.5
Revenue stream 2	50,000.0	52,500.0	55,125.0	57,881.3	60,775.3

Returns, Refunds, Discounts	(12,000.0)	(12,600.0)	(13,230.0)	(13,891.5)	(14,586.1)
Total Net Revenue	413,000.0	452,400.0	495,645.0	543,114.8	595,226.7
Cost of Goods Sold	115,000.0	126,500.0	139,150.0	153,065.0	168,371.5
Gross Profit	298,000.0	325,900.0	356,495.0	390,049.8	426,855.2
Expenses					
Advertising & Promotion	2,250.6	2,475.7	2,723.3	2,995.6	3,295.1
Depreciation & Amortization	14,560.8	16,016.9	17,618.6	19,380.5	21,318.5
Insurance	140.7	154.8	170.3	187.3	206.1
Maintenance	7,660.4	8,426.4	9,269.1	10,196.0	11,215.6
Office Supplies	37,000.5	40,700.6	44,770.6	49,247.7	54,172.5
Rent	770.7	847.8	932.6	1,025.8	1,128.4
Salaries, Benefits & Wages	33,660.7	37,026.7	40,729.4	44,802.3	49,282.6
Telecommunication	200.1	220.1	242.1	266.3	293.0
Travel	-	-	-	-	-
Utilities	1,800.8	1,980.8	2,178.9	2,396.8	2,636.5
Other Expense 1					
Other Expense 2	-	-	-	-	-
Total Expenses	98,045.4	107,849.9	118,634.9	130,498.4	143,548.2
Earnings Before Interest & Taxes	199,954.6	218,050.1	237,860.1	259,551.4	283,307.0
Interest Expense	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Earnings Before Taxes	196,954.6	215,050.1	234,860.1	256,551.4	280,307.0
Income Taxes	59,086.4	64,515.0	70,458.0	76,965.4	84,092.1
Net Earnings	137,868.2	150,535.1	164,402.1	179,586.0	196,214.9

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

One of our major goals of starting Skymark Plaza Vocational Training Centre 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.

Skymark Plaza Vocational Training Centre 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.