

JW MARRIOTT SERENGETI  
(DELAWARE INVESTMENT LTD)

BUSINESS PLAN

FOR  
7 Star Luxury Lodge

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## 1.0 Executive Summary

The government of Tanzania, through the Tanzanian Tourist Board and Tanzania Investment Center are devoted to attracting more visitors and are actively promoting domestic tourism / investment. As many of the world's tourist destinations have been overdeveloped there is a real

appetite for finding locations that offer a perfect balance of amenities, modern comforts and luxury whilst enjoying an un-spoilt destination that is beautiful and ready to be explored.

Therefore, the investors have decided to expand their operations in the international market and continue to focus on delivering exemplary hotel services to develop customer relationships beyond the European and American borders. After reviewing different scenarios, the group management team has decided to target Tanzania to develop its international operations which will be named JW Marriott Serengeti.

JW Marriott Serengeti will be owned by Delaware Investment LTD, Mr Rishen Patel owns 90% of shares and Mrs Heeral Rishen Patel who owns 10% of the shares. The lodge will be located in Serengeti National Park. The lodge will have 40 ultra luxury permanent lodges, a SPA, restaurants, Gym, bar, banquet / wedding hall, game rooms, nature trek and Cigar Lounge. Differentiating the kind of service that will be offered, from that of the competition, is an important factor to success. It will not only build the JW Marriott Serengeti as a recognized brand in the marketplace but also will be an important fact to attract tourists from all over the world, who require a higher level of personal service and recognition.

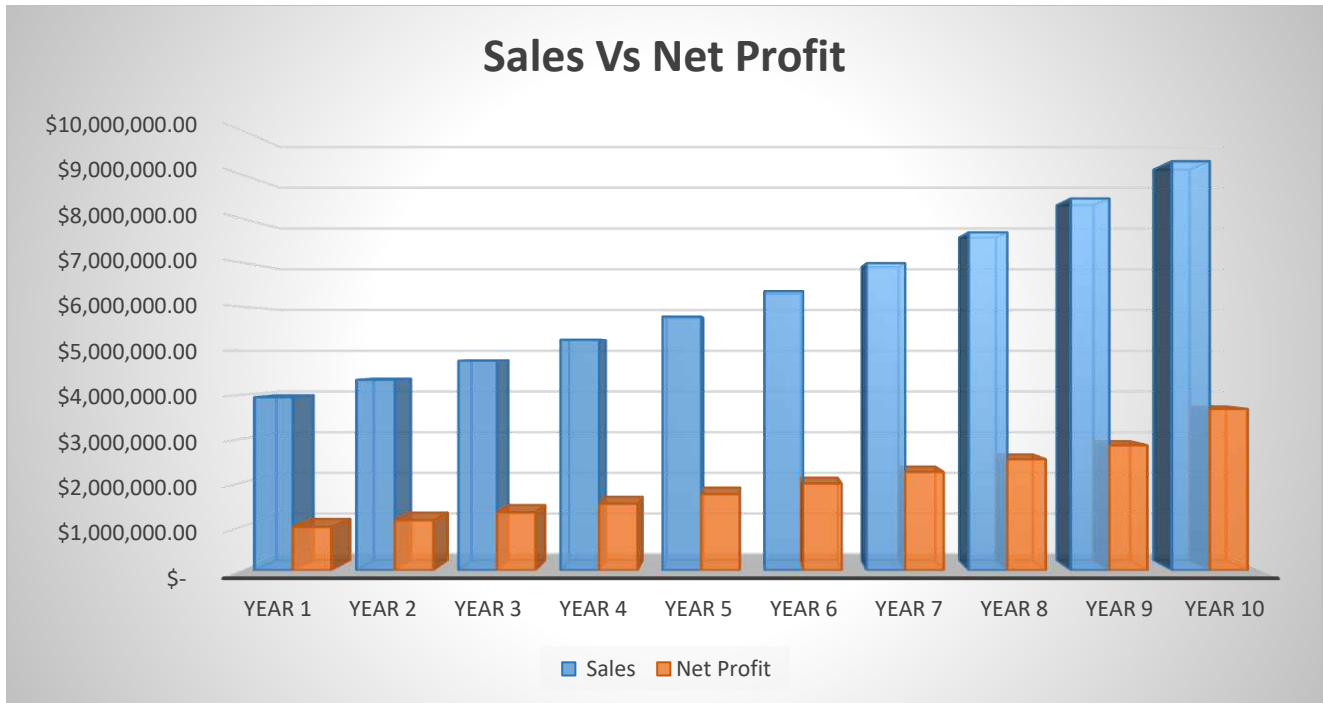
Our marketing strategy will allow us to communicate the brand values, develop close working relationships with our customers and suppliers and identify the needs of our guests effectively. Continued differentiation and growth are two goals we have set for ourselves. Growth will take place by targeting new areas of business within both national and international communities.

We are dividing our prices into three seasons (peak, high and low season). The hotel will apply both skimming and seasonal pricing strategies during peak periods operating at high prices. All our lodge rates are based on all-inclusive prices. JW Marriott Serengeti will target sales revenues of about \$5 million in the first year of operation. The estimated year to year sales growth is 10% which is aligned not only with the local economy growth projection but also with the forecast growth for the tourism industry in this marketplace.

JW Marriott Serengeti will provide services that should meet the highest criteria. The company seeks people who understand and accept the vision of the company and are willing to help achieve the company goals. The company's personnel will constitute 81 staff which include a director, 1 general manager and others. Our commitment to personnel will always be a priority and their welfare will be taken care of to the best of our ability.

JW Marriott Serengeti will start to earn profit from the first year of operation due to good management of operations cost and experience in the hospitality industry. The company's net profit in the first year is \$1,207,613 which is equal to 30% of revenue the company generates. The net profit will increase to \$1,320,000 due to good management of operations costs and an increase in sales revenue by providing reliable accommodation options to tour operators.

Chart: Sales and Net Profit



The company's projected Balance Sheet reflects assets of \$10,994,330.40 after the first twelve months of operations, derived primarily from sales of hotel rooms and other hotel services. After ten years of the company's operation, the net worth capital will reach \$23,370,863.24 with a sound cash reserve to pay all short and long term obligations on time.

### 1.1 Mission

JW Marriott Serengeti's mission is to provide quality hospitality services to our guests in a comprehensive and cost competitive manner, providing the finest accommodations outside Serengeti National Park.

### 1.2 Keys to Success

To succeed in this business we must;

- Repeat business. Every customer who comes in once should want to return and recommend us. Word-of-mouth marketing is a powerful ally.
- Frequent Guest Award Program, including in our sister resort in Zanzibar.
- Controlled overhead and operational costs
- Regular and ongoing guest feedback

- Create unique, innovative, entertaining bungalows that will differentiate us from the rest of the competition.
- Encourage the two most important values in the real estate business: brand and image, as these two ingredients are a couple of main drivers in marketing communications.
- Latest technology/software capacity
- Unique, timeless and comfortable environment
- Dedicated management and associate support staff
- Market to our guests in Zanzibar, offer 1-2 day packages to visit Serengeti,

### 1.3 Corporate Status and Ownership

Delaware Investment LTD will be structured as a limited liability company in Dar es salaam, Tanzania. The company is owned by Mr Rishen Patel, who owns 90% of shares and Mrs Heeral Rishen Patel who owns 10% of shares, who are professionals in the hospitality industry. The company will be managed by its CEO and owner who will conduct key business functions, act as the company's first business mentor and director.

The long term goal of our company is to become the best choice hotel outside Serengeti for tourism by creating a differentiated experience capitalizing on personal service, the historical nature of our properties, and its unique locations is one of the most attractive places in Serengeti.

Table: Authorized shares of common stock

Name	Nationality	Shares
Mr. Rishen Patel	American	90%
Mrs. Heeral Rishen Patel	American	10%

### 1.4 Start-up Summary

The following tables and graphs detail the funding the business will need to bring the vision to reality for phase 1. Start-up funding includes all the expenditures, both start-up assets and start-up expenses, incurred before the company starts earning revenues. The working capital elements of the asset table represent the balance of the cash at the beginning of Month 1 of the financial projections.

Table: Start-up cost by items

Particulars	Estimated Cost
Hotel Buildings	\$ 12,000,000
Land	\$ 1,600,000
Furniture and Fixtures	\$ 3,000,000
Motor Vehicle	\$ 100,000
Pre-operation expenses	\$ 500,000
Working Capital	\$ 180,000
Total Start Up Cost in US\$	\$ 17,380,000

## 2.0 Situation Analysis

### 2.1 Introduction of business

#### Introduction to the Marriott Company

Marriott International, Inc. (NASDAQ: MAR) is based in Bethesda, Maryland, USA, and encompasses a portfolio of more than 8,000 properties under 30 leading brands spanning 139 countries and territories. Marriott operates and franchises hotels and licenses vacation ownership resorts all around the world. The company offers Marriott Bonvoy<sup>®</sup>, its highly awarded travel program.

#### JW Marriott Brand

JW Marriott is part of Marriott International's luxury portfolio of brands and consists of beautiful properties and distinctive resort locations around the world.

JW Marriott properties offer a haven designed to allow guests to focus on feeling whole – present in mind, nourished in body, and revitalized in spirit – through programs and offerings that encourage them to come together and experience every moment to the fullest. Today there are more than 100 JW Marriott hotels in more than 35 countries and territories worldwide that cater to sophisticated, mindful travelers who come seeking experiences that help them be fully present, foster meaningful connections and feed the soul

JW Marriott Serengeti will be located in Serengeti National Park, The lodge will comprise forty rooms, all providing the best facilities and amenities. The lodge will have high-class facilities developed for recreation, such as gym, tennis, swimming pool and ultra luxury spa. JW Marriott Serengeti will have magnificent rooms surrounded by greenery and a serene view of the park. The riches of the locations where the lodge is located will potentially draw significant numbers of tourists to the region.

JW Marriott Serengeti has been conceived through rigorous market research activities, for the needs of upper-class high standard market clientele, who want to visit Serengeti.

It will offer luxury but a modest relaxing environment for not only international tourists but also for the local people looking for a nice place to spend the weekends or short vacations. Also, it is expected that we will offer our customer's excellent facilities to host special events such as weddings, private parties, retreats etc. Differentiating the type of business service offered, from that of the competition, will assist not only in building the JW Marriott Serengeti brand as a whole but will attract frequent business travelers, who require a higher level of personal service and recognition.

JW Marriott Serengeti will target an exclusive market and its theme and services would be designed to meet the needs and expectations of that specialized market. Architecture would have a strong cultural influence and be sensitive to the tourism sector. As a small exclusive lodge, the architecture would be one of the distinctive features of the lodge. In addition to providing information about our services, we plan to collaborate with tour agencies and businesses throughout the area by offering packages and special rates.

### 2.2.0 Business Environment

JW Marriott Serengeti will focus on quality, luxurious bungalows for vacationers interested in exploring the locations where our resort are located together with the corresponding surroundings. Our target markets is the American Market, specifically, new visitors traveling to the area, upper-income bracket, returning visitors to the area, a business needing to hold small overnight planning and strategy sessions, wedding parties and couples. For us to analyze our business environment and to strategically plan the company we used PESTEL analysis to arrive at the above following conclusions.

#### 2.2.1 Political Environment

Tanzania is one of the most peaceful and popular destinations in the world and has a long history of being Africa's leading tourist destination. Most sectors of Tanzania's economy are open to foreign investment, with limited restrictions.

### 2.2.2 Economical Environment

Economic and Trade liberalization in Tanzania has been undertaken to allow the private sector to engage fully in business locally, regionally and internationally. As a result in 2020, Tanzania has recorded impressive economic GDP growth of 4.81% of which the service sectors contributed 21.2%. It has also a stable and predictable fiscal regime that, among other things, recognize the importance of the companies to recover their investment costs before the payment of corporate tax. Foreign investors are allowed to own 100% of their businesses, it also offers a lucrative incentive package to strategic investors.

### 2.2.3 Social and Cultural Environment

Serengeti National Park has a Swahili culture, which is a hybrid of several indigenous tribes. The national park is partially across the border of Kenya, where the Maasai people come from, further south the Ikoma tribe replaces the Kuria and a very large community of Sukuma people that live along Western Corridor. We believe that this social and cultural environment is viable enough for our business. In addition, the trend towards cost-effective business travel leads bungalows guests to seek more value for money, which is where our added value differentiation strategy comes into play.

### 2.2.4 Technical Environment

Computing programs greatly influence how we run our business from record-keeping to Internet transactions. JW Marriott Serengeti will be utilizing software packages available in the hotel industry, including an 'online' room reservations system and facility management database with company websites. The hotel shall attract the resources necessary to train and operate the system to generate the reports and manage the inventory.

### 2.2.5 Ecological Environment

JW Marriott Serengeti will continue to maintain the beauty of the location where our lodge is located. Money will be invested to keep the nature, air, water, soil and cultural heritage of the place where our tents are situated.

### 2.2.6 Legal Environment

JW Marriott Serengeti will not move forward with the project until it has obtained the necessary documents from all respective authorities including TIC to have the right to use the land to build the lodge. As faced by all businesses, the proper insurance needs shall be met and all operations and policy manuals shall be reviewed by appropriate legal experts. The facility will obtain the

necessary building permits before construction. In addition, we are planning to consider the tax incentives and other incentives in our daily operations.

2.3 SWOT Analysis

The following analysis highlights the internal strengths and weaknesses of our company and the opportunities and threats facing the company in our external environment. We must work to improve our areas of weakness. Organizational strengths must be leveraged to capitalize on external opportunities as they arise, and contingency plans formulated to deal with threats presented by the environment.

Table 2: SWOT Analysis

1. Strengths	2. Weakness
<ul style="list-style-type: none"> <li>i. Strategy: established differentiation strategy.</li> <li>ii. Skills: a diverse range of service skills within management and staff.</li> <li>iii. Style: strong, participative culture.</li> <li>iv. Staff: specialized and experienced staff well-motivated and highly skilled. A well-trained team who are proud of their work, respect and promote the brand values.</li> <li>v. Shared Values: clear and well communicated.</li> </ul>	<ul style="list-style-type: none"> <li>i. Seasonal revenues: the flow of the tourist cycle that occurs during middle and high seasons versus low seasons should be considered and managed.</li> <li>ii. Staff: seasonal turnover requires ongoing training and orientation of new staff.</li> </ul>

<ul style="list-style-type: none"> <li>vi. Brand Strength: brand values are well represented engendering brand loyalty amongst existing and new customers.</li> <li>vii. Reputation: promote a strong reputation within the local market and corporate and travel trade markets for reliability, exemplary service and quality.</li> </ul>	
<p>3. Opportunities</p>	<p>4. Threats</p>
<ul style="list-style-type: none"> <li>i. Market: returning growth after a period of a slump due to COVID 19.</li> <li>ii. Competitors: A new lodge focused on eco friendly luxury options will provide a new generation of eco-friendly lodges that not all facilities implement.</li> <li>iii. Suppliers &amp; Staff: Supplies (materials) and the majority of Staff (Personnel) required to run the facilities could be obtained from the local market</li> <li>iv. Customer Dependency: Partner with tour operators and word of mouth based on personal service and quality, in a small but luxurious environment.</li> </ul>	<ul style="list-style-type: none"> <li>i. Market Entry: potential for a competitive, global brand to enter the market with a similar product.</li> <li>ii. Substitutes: Competitor hotels</li> <li>iii. Economy: recovery from this pandemic disease of COVID 19 may take time.</li> </ul>

**2.4 Competition Analysis**

There are several high-class lodges on the Serengeti National Park offering very expensive services and a lot of lower-class guest houses offering sub-standard services. We shall find our own "niche" by offering high-class facilities of a 7 star hotel that is not to be found anywhere else in the national park.

JW Marriott Serengeti will have minimal tough competition ahead because Serengeti National Park has very few high-class luxury lodges. We plan to offer something different with our hotel, finding our niche, by incorporating the local attractions and activities. We have the advantage of having multiple bases in USA which will promote Tanzania in markets currently not in and the brand presence with Marriott.

We will offer travel in individual and group tailor-made packages through our facilities as every customer is different and has different wishes and needs. The individual and group tailor-made travel packages are not any more expensive than the mass tourist packages being offered by our competition but are also very personal, offering exactly what the client dreams of, an added value to our services is the name of the game.

### 2.5 Corporate Social Responsibility (CSR)

At Delaware Investment LTD, our Corporate Social Responsibility (CSR) objective is to empower every individual in the community in advancing in life and find joy. We believe this ambitious but yet bold goal will be realized through the adoption of inclusiveness in every facet of life.

Over the years we will invest the company's strongest assets to drive not only access to accommodations but also continuously build a strong societal improvement and inclusiveness that brings the promise of investing to life in the communities where we operate. We will champion several initiatives ranging from bridging the empowerment ownership gap amongst women, improving education, preserving the environment and enhancing health sectors by providing medical and other hospital equipment to the community.

The strategic priorities for our social investment will focus on four thematic areas which are; Social Inclusion, Education and Environment and Health. These themes demonstrate our ambition to empower every individual in advancing in life and find joy in creating a shared value for our stakeholders who are customers, community, government, civil societies, media just to mention a few.

### 3.0 Product/Service Description

The JW Marriott Serengeti will offer the following services:

### 3.1.1 Rooms Accommodation

The hotel will comprise forty (40) ultra luxury permanent lodges. The lodge is surrounded by natural trees and a serene view of the national park. JW Marriott Serengeti will have comfortable and luxurious lodges overlooking the park area. All lodges are decorated in contemporary style and have been designed to maintain complete privacy.

Our lodges rate services are on All Inclusive prices, everything included except SPA and Cigar Lounge services. Free welcome drink to all arrivals, bottled minerals of water, ice cold towels, personalized dining experience.

Check-Out Time is 11 am, should clients require a later check-out time, this can be arranged at the reception and we may be able to assist with a late departure or shower room depending on room availability. Baby Cot / Baby Sitting will be available from housekeeping, babysitting is charged at an hourly rate.

Safe Deposit Box- Each room will have its own safe located in the closet. Instructions for use are located on the panel. If items are too large please contact the Duty Manager who will gladly place your valuables in the resort main safe for safekeeping.

Cancellation Policy:

- a) Within 21 to 14 days: 30% of the total bill.
- b) Within 13 to 5 days: 50% of the total bill
- c) With 4 to 0 days: 100% of the total bill.
- d) No show: 100% of the total bill.

### 3.1.2 SPA facilities

JW Marriott Serengeti will offer luxurious spa facilities. Indulge yourself in pure bliss through a wonderful experience at The Spa. Our experiences provide an authentic connection between breath-taking landscapes, rich history and local culture. JW Marriott Serengeti will choose prime elements from Africa to create magnificent and therapeutic benefits for the customer wellbeing.

The Spa offers a peaceful environment and the following facilities:

- a. Absolute Experience for 150 minutes; Embark on a journey to outer wellbeing and inner fulfilment with a series of pampering and soothing therapies, incorporating locally produced oils, plants and herbs that will intoxicate your senses and leave your body soft, smooth and relaxed. Floral foot ritual will include body scrub, body wrap, shower, massage, express facial and refreshment
- b. Africology Potato Body Experience for 120 minutes; An experience that starts with a body exfoliation combined with warm mittens to prepare and purify the skin, followed by a warmly applied body wrap to soften, soothe and improve skin hydration while also fighting free radical damage. Finally, there is a soothing massage that creates a natural barrier to hold in moisture and improve collagen and elastin to complete the experience. This experience will include welcome touch, exfoliation, African potato body wrap, aromatic massage, completion touch and refreshment
- c. Oriental Detox Journey for 150 minutes; Rediscover your inner strength and vigor with an exquisite Oriental journey. This will include floral foot ritual, herbal bath, exfoliation, shower, herbal warm, compress massage and refreshment
- d. Couple Package – Love United for 150 minutes; Succumb to an exquisite pampering experience together with a beautiful spa journey designed especially for couples. This will include floral foot ritual, detoxifying sea salt bath, body scrub, shower, aromatic massage and refreshment
- e. The Spa Signature Massage for minutes; Our signature blend of oils, combined with purpose-designed movement, stimulates circulation and promotes deep relaxation. Restores the energy flow of prana, along the meridian lines. This will include a floral foot ritual, meridian line massage and refreshment.
- f. Traditional Thai Massage for 90 minutes; This centuries-old therapy, known as passive yoga, is perfect for anyone searching for optimal health, the release of tension and the restoration of dwindling vitality. This will include floral foot ritual, traditional Thai massage and refreshment

### 3.1.3 Cigar Lounge

Besides, we are here to provide our clients a relaxing experience to enjoy with friends or by themselves. The Cigar Lounge possesses a large area for everyone. The Hotel will have over 100

premium cigars that are stored in our climate controlled walk-in humidor along with a full bar stocked with client's favorite beverages from all over the world.

Our 1000 square foot air conditioned lounge hosts an assortment of comfortable seating along with plenty of televisions, charging stations and free Wi-Fi to catch all of the latest sport events. Our team has years of experience in cigars and are all very knowledgeable. Each of our employees have been trained and achieved certification as a Cigar Sommelier from IACS. Based upon guest preferences, our staff will assist in selecting a cigar that you will enjoy. So come join us with your friends or by yourself, we are here to take care of you.

#### 4.0 Market Plan

The mission of Tanzania regarding tourism development is "To promote sustainable tourism both domestically and internationally through innovative and dynamic awareness creation, in order to contribute significantly to the social – economic development of Tanzania". Serengeti is diverse in terms of products, activities and attractions, thereby combining various types of tourism, e.g.: walking safari, hot-air balloon safari, nature/eco, culture & tradition, wildlife migration, honeymoon, performing arts, bird watching, incentive, culinary (spices), medical (herbs).

Being the oldest and most famous protected area located in northern Tanzania, Serengeti National Park is well known for its wildebeest migration and harboring abundant wild animals including lions, elephants, giraffes, cheetah, bird species among others. World Heritage Site teeming with wildlife: over 2 million ungulates, 4000 lions, 1000 leopard, 550 cheetahs and some 500 bird species inhabit an area close to 15,000 square kilometers in size.

Place as part of the marketing mix, is essentially intangible, which means that it is often uncontrollable as to the experience the customer has. We can, therefore, bring another 'experience' into the 'Tourism industry' in Tanzania.

#### 4.1 Target Market

JW Marriott Serengeti comprises forty (40) permanent lodges, with full facilities including a swimming pool, restaurants and specializing in servicing tourists and corporate clients. It serves

the business community with work from home options and visiting travelers either by leisure or business.

Our key clients are driving from upper-income brackets, area wedding parties, couples and contracted corporate clients originating from both international and domestic markets, especially visitors from America who are visiting the country for various reasons. Also, our next target market is travelers from Europe and the United Kingdom. Currently, Europeans play a significant role in the worldwide tourism industry. Every year, the demand in this sector is growing continuously and receives visibly higher attention. Key to our business success is the level of customer loyalty and repeat business we will receive on an annual basis. We will offer our guests the most up-to-date technical business facilities, both inside the hotels and within the surrounding properties.

Our customers feel that they can conduct their business from within a less austere atmosphere than can be experienced in our competitive properties, where there is less personal recognition. They will appreciate being called by name when they arrive, and having the staff remember their specific requirements, time and again. This is key in developing the relationship beyond an initial stay and evidences our added value about competitive properties in the vicinity.

#### 4.2 Market Geographic

Located in Northern Tanzania and extended towards southwestern Kenya, the Serengeti encompasses Serengeti National Park and a number of protected game reserves and conservation areas maintained by the governments of Tanzania and Kenya. The Serengeti landscape can be divided into two regions defined by their dominant vegetation — woodland and grassland. Known for its wildebeest migration, magnificent sunsets and serene landscape. The Serengeti plains are at an elevation between 1,600 and 1,800 meter above sea level, several river catchments drain the area; Mara river, Duma river, Simuyu river and Grumeti & Mbagalet rivers which flow from the Western Corridor of Serengeti National Park.

JW Marriott Serengeti is strategically located in Serengeti allowing tourists a view of the great migration from their rooms.

### 4.3 Market Demographics

With an area of 12,000 square miles, making it the second largest protected area in Tanzania, Serengeti has the best and oldest Ecology in not only Tanzania but Africa at large. Tanzania has a total population of 59.73 million contributing 4.6% of the continent's total population. As a host of the Great Migration, Serengeti has more than 1,500 wild and exotic animals, with over 1.2 million wildebeest, 300,000 Zebra and the largest lion population in Africa.

### 4.4 Market Needs

JW Marriott Serengeti will offer value and benefits to our clients, over and above the standard of our facilities and affordable rates. We seek to provide our guests with exemplary personal service, and a level of recognition that they have come to rely upon. We will provide our customers with a luxurious, relaxing environment within which to conduct their business or vacations and that our hotel customers would not be able to find at other more impersonal competitor hotels.

Our customers need to know that they can develop a relationship with the resort that will ensure efficiency, value for their money and reliability in supplying them with the support they need, when they need it. We will operate with a very strong sense of community, and we want to stay an integral part of that community.

### 4.5 Market Trends

Until the beginning of 2020, global tourism has grown significantly, being influenced by globalization and technological advances. People were benefiting from cheaper airfares, the possibility to plan and book their travel and then share their experiences online. As a result of the pandemic diseases of COVID-19, as regards traveling in both domestic and international markets, there has been a significant drop in local and foreign travelers worldwide. Consequently, the number of guests that are traveling to Tanzania has fallen significantly, it reached 620,900 in 2020 which is less than the 1.5 million arrivals in 2019. Although the level of visitors appears to be increasing again, it has had a significant effect on last year's result and consequent projections for the future.

According to the Tanzania Investment Statistics, the number of international tourist arrivals rebounded to 712,900 signaling a revamp in tourism activities, which contributed a sum of

\$1,253.9 million revenue to the country in the year ending October 2021. It further states that wildlife and beaches were the main attractions to these tourists.

The JW Marriott Serengeti lodges will be decorated to meet guests' particular tastes, the bathwater is just how they like it, the minibar is stocked with their preferred range of drinks, and their favorite music is playing in the background. This, or something similar, could soon become reality for hotel guests. This was the conclusion drawn by the ITB World Travel Trends Report, based on extracts from the European Travel Monitor and estimates by more than 50 tourism experts and researchers from around the world, including investigations carried out by the Fraunhofer Institute for Work Management and Organization (IAO). Also, the Fraunhofer Institute believes that technological advances are among the most important forces driving the hotel industry, leading to some major changes over the next ten years.

In addition, growing environmental awareness, global trends such as demographic changes, increased mobility and multi-cultural developments will all help to alter the profile of guests. In the future, the different requirements of specific types of guests will determine what is on offer. This presents some serious challenges to the hotel industry, but also provides an opportunity to attract new types of guests.

#### 4.6 Market Growth

Tourism is a steadily growing and economically important sector globally and locally. It makes significant contributions to job creation, export revenue, and domestic value-added, and helps improve the attractiveness and well-being of places, not only as destinations to visit, but also to live, work and invest.

Tanzania is the only country which has allocated more than 25% of its total area for wildlife national parks and protected areas. There are 16 National Parks in Tanzania, 28 Game Reserves, 44 Game controlled areas, 1 conservation area and 2 Marine Parks. Tanzania boasts many of Africa's most renewed destinations; in the north the Serengeti plains, the Ngorongoro Crater, Lake Manyara, and Mount Kilimanjaro, and in the south Mikumi and Ruaha National Parks and the

Selous Game Reserve. According to a survey conducted by SafariBookings.com, Tanzania's Serengeti National Park was voted Africa's best safari destination for 2020.

The government, through the Tanzania Tourist Board, are devoted to attracting more visitors and are actively promoting domestic tourism. As many of the world's tourist destinations have been overdeveloped there is a real appetite for finding locations that offer a perfect balance of amenities, modern comforts and luxury whilst enjoying an un-spoilt destination that is beautiful and ready to be explored.

We expect the market to grow very fast and intend to concentrate on niches for example target travelers that come to our sister property in Zanzibar to come and tour Serengeti. New markets are emerging from all corners of the world. The price of our product and service will increase with time as we are starting at the lower end as it is. The African market is growing very fast.

## 5.0 Strategy and Implementation

### 5.1 Strategy

The business is driven by referrals and repeat business, so for the first few years, JW Marriott Serengeti will need to be aggressive in attracting new customers. The strategy is subject to change upon guest feedback and surveys. Our marketing strategy's objective is to communicate the unique set of products and services that we will offer to our resort's customers. We attempt to direct the focus of our customers to the issues of quality and value for the money as opposed to simply the bottom-line costs associated with their staying time in the hotel.

Our marketing strategy will allow us to communicate our brand values, develop close working relationships with our creditors, customers and suppliers and manage the needs of our customers effectively. Continued differentiation and growth are two goals we have set for ourselves. Growth will take place by targeting new areas of business within both local and international communities.

### 5.2 Positioning and Product Strategy

For its customers, JW Marriott Serengeti will be positioned as a renovated, beautifully landscaped, nature-filled, unique atmosphere hotel with a restaurant service that fits an adult "getaway" market niche. For travelers seeking relaxation and rejuvenation, the hotel will offer locally inspired upscale lodge experiences with engaged service in the worlds' most sought-after destinations, creating memories that last long after checkout.

We understand that the foundation for a successful new product is the creation of a corporate culture that promotes and reward innovation. We have identified two key areas for our product development namely product improvement and market development. Product improvement will focus on quality rather than quantity. We will spend more money on regular training of our staff and personnel for them to continue to equip themselves with the necessary knowledge needed in the industry. We need to trademark our brand. For us to develop our market we will continue to spend money to advertise our company through the media or other news outlets and possibly expand our company to include other services that we are not providing.

Our product/service has been designed and tailored to meet the needs of our target customer due to its traditional African Village design. Customers are always on the lookout for something more creative, most of the competition is too much alike, and we aim to provide a unique experience with utmost comfort and high-end facilities to our guests.

Our attractions will provide the emerging power. Tourist attraction, together with access, accommodation and other services are the main feature that distinguishes one tourist destination from another. The objective is to diversify the tourist attractions to achieve balanced growth of the tourism industry and maximum benefit and to strengthen the cultural industries, theatres, cultural and community participation as a product diversification to harness through the following strategies:-

- a) Increasing opportunities for day excursions by tourists through offering a wide variety of activities, entertainment and peace and tranquility.
- b) Improving displays that interpret the wildlife, the local Maasai culture complemented by the landscapes and nature in its best form.

### 5.3 Distribution Strategy

Unlike products that are produced, then distributed, and sold, hotel services are produced and consumed simultaneously in a real-time environment. Thus, distribution issues center on making the services available in a convenient manner to the greatest number of potential customers. JW Marriott Serengeti will maintain a front office staff member throughout the night so guests can get answers to any question or service when they need it. This flexibility allows guests to have a sense of safety and comfort during their stay.

#### 5.4 Price strategies

We are dividing our prices into three seasons (peak, high, and low season). The hotel will apply both skimming and seasonal pricing strategies during peak periods operating at high prices. This allows the company to maximize its profits during the peak seasons. During low seasons, the hotel applies marketing penetration price, where the hotel accepts customers' requests at reduced prices. The recent global financial recession greatly affected the businesses of the hotel lowering its profits significantly. As a measure to handle the effects, the hotel will introduce seasonal pricing where the price of services in the hotel are reduced during low season and raised during peak season. There will be a reduction of 25% of the price from peak season to high season. Also, from peak to low season, the price will be reduced by 50%. Besides, for the sake of simplicity, we assume that the prices are the same for all room categories.

In addition, the flexibility of the hotel's prices is determined by the profile of its customers. Potential customer classes also will receive special prices as a means of retaining them as customers.

Table: Seasons and Prices

Seasonality	Services	Number of rooms	Rate \$
Peak Season	<u>Rooms Accommodation</u>		
	Standard Villas	25	\$ 1,500
	Luxury Villas	13	\$ 2,500
	Luxury Family villas	2	\$ 4,000
	<u>Other Services</u>		
	SPA Facilities	1	\$ 200.00
	Cigar Lounge	1	\$ 50.00
High Season	<u>Rooms Accommodation</u>		
	Standard Villas	25	\$ 1,200
	Luxury Villas	13	\$ 2,000
	Luxury family villas	2	\$ 3,500
	<u>Other Services</u>		
	SPA Facilities	1	\$ 150.00

	Cigar Lounge	1	\$ 37.50
Low Season	<u>Rooms Accommodation</u>		
	Standard Villas	25	\$ 800
	Luxury Villas	13	\$ 1,000
	Luxury Family Villas	2	\$ 2,000
	<u>Other Services</u>		
	SPA Facilities	1	\$ 100.00
	Cigar Lounge	1	\$ 25.00

**5.5 Promotion Strategy**

The most common promotional strategy that will be employed by the company is incentive trips. These trips normally focus on potential customers. The company will offer suites packaging that ensures potential customers are motivated to prefer the hotel over the others. Moreover, the company will have a discount program that is designated for specific periods such as specific holidays and weekends where the customers will be offered a 15% discount or stay longer and pay less program. The company’s promotional strategies will be founded on a push promotion strategy where the customers are welcomed from the main entrance and escorted to their rooms presenting a positive impression from new guests.

**5.6 Sales Forecast**

The sales forecast is based on the historical industry trend of the locations where the hotel is situated and occupancy assumptions in the table below. The hotel's sales will vary though due to seasonality (low, high and peak) and other services provided by the hotel. In addition, room preferences such as categories, single, double/twin and triple bedrooms rates will differ accordingly but for the sake of simplicity, we have used an average rate based on a double villa. We are assuming that no single or triple supplements, all our rates will be charged based on villa.

Our sales forecast has been set very modestly, not only are our rates low to enter the market with plenty of villas to raise rates annually, but we have also estimated the low number of sales units and used very modest estimates for daily sales and even with these minimum forecasts we can still

make a profit in a very short period. During the period 23<sup>rd</sup> December to 06<sup>th</sup> January each year, a minimum stay of 4 nights is mandatory in most hotels/resorts on the island.

During the first twelve months, the company will be able to sell on average of 60%, 40% and 30% number of days and number of rooms for the peak, high and low seasons respectively. The sales revenue for the first twelve months is \$3,944,937.50. Sales forecast for the remaining years will be gradually growing by 10%, based on economic growth as well as advertising and marketing of the hotel project.

## Sales per Season

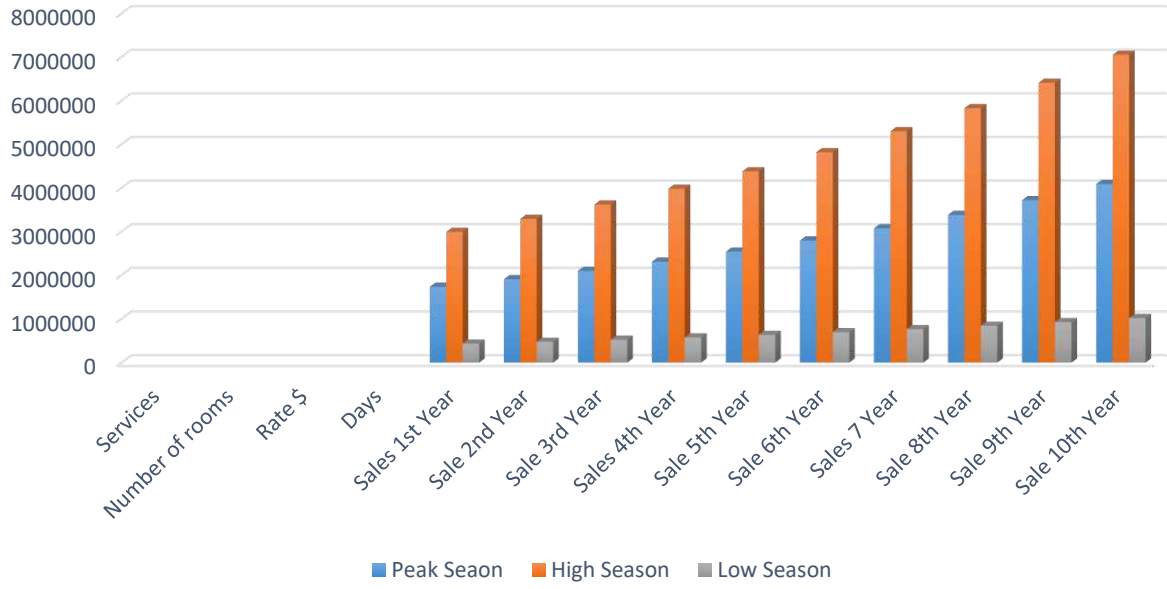
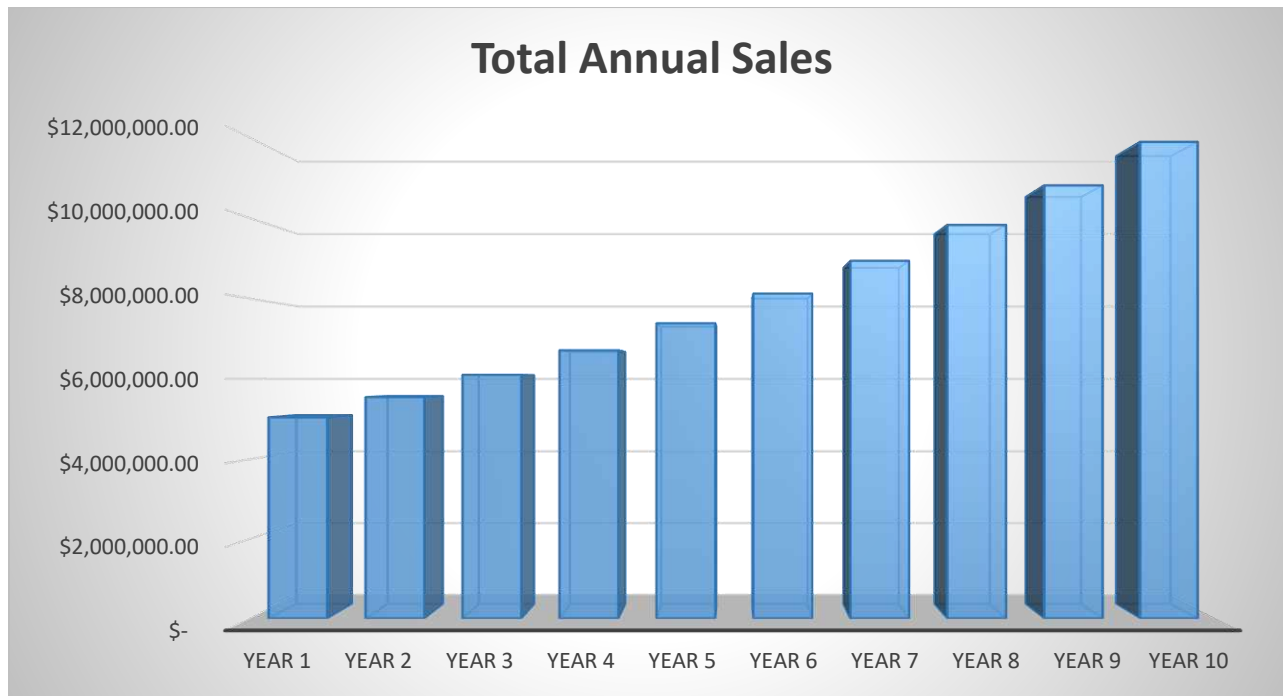




Chart: Annual Total Forecast Sales



## 6.0 Management

JW Marriott Serengeti will be managed by Delaware Investment LTD assisted by a General Manager with experience in the travel and hospitality business or a management company. Other key positions are food and beverages, sales and marketing, administration, accounts and housekeeping all to be filled by highly experienced and qualified employees supported by a chef, staff kitchen help, security and gardeners, housekeepers and others. Concerning the hierarchy of our company, there will be a director, then there will be a General Manager who will be responsible for cooperation among the board members, ensure the future of the company and potential expansion.

1. Managing Director- responsible for all operations, advertising and marketing and employment of Managers and other staff. He has more than 10 years of experience in the hospitality industry.
2. General Manager - Local or foreign, qualified, with minimum 5 years experience responsible for the day to day running of the business, duties include, overseeing all departments and staff of the hotel and providing daily reports to the Director.

- Knowledge of a minimum of 2 languages is compulsory. Supervising a successful training scheme for the staff.
3. Food and Beverages Manager - with a minimum of 3 years experience in the Hotel Industry. Responsible for stock levels and rotation restaurants and coffee shops. Other responsibilities include knowledge of current suppliers, Customer requirements and service.
  4. Sales and Marketing Manager- with a minimum of 3 years experience in the Hotel Industry. Assisted by 2 qualified and experienced Bookings and Reservations agents, Responsible for Customer service, tours, public relations and advertising. Reception and front desk duties.
  5. Administration Manager, one full-time administrator- Overseeing turns and takings, employee's performance, income and expenditure, salaries.
  6. Director of Finance – Certified ACCA or CPA holders with a minimum of 3 years experience in the Hotel Industry. Assisted by 1 qualified and experienced accountant. Responsible for all daily revenue and expenditure of the company.

### 6.1 Management Style

Our Management style will be based on a democratic style of management putting trust in employees and encouraging them to make decisions. We will delegate to them the authority to do this (empowerment) and listen to their advice. This requires good two-way communication and often involves democratic discussion groups, which can offer useful suggestions and ideas. Managers must be willing to encourage leadership skills in subordinates.

The ultimate democratic system occurs when decisions are made based on the majority view of all workers. However, this is not feasible for the majority of decisions taken by a business- indeed one of the criticisms of this style is that it can take longer to reach a decision.

### 6.2 Personnel Plan

JW Marriott Serengeti will provide services that should meet the highest criteria. Therefore the project will demand highly qualified professionals. The company seeks people who understand and accept the vision of the company and are willing to help achieve the company goals. The company's personal will constitute 81 staff which include 2 directors, 1 general manager and others.

Our commitment to personal will always be a priority and their welfare will be taken care of to the best of our ability. Competitive remuneration will be given to each staff member and annual review in line with the rising cost of living and the financial health of the business. We believe by fairly compensating our staff we will not only ensure loyalty to the business but also retention. Our recruitment policy will always be based on merit and no one will be discriminated against. We shall mainly depend on referrals from a credible person known to us as the business grows. In future, we will outsource that service to a professional organization. Staff members will be appraised fairly with a view of identifying their main areas of strength and weaknesses need for training, promotion, job rotation or enlargement. Our desire will always be to see a happy staff that will see the business as an extension of their family.

The following table represents our Payroll forecast for the Delaware Investment LTD. The company payroll expenses will rise by 5% annually. Our remuneration package is very attractive for hotel employees who will receive well above the minimum wage for Tanzania. We will have a very attractive incentive package on top of this.

Table: JW Marriott Serengeti's Personnel Plan

Personnel Plan	Number	Rate	Month	Total in \$
General Manager	1	\$ 3,000.00	12	\$ 36,000.00
Sales and Marketing Manager	2	\$ 800.00	12	\$ 19,200.00
Front Office Manager	1	\$ 800.00	12	\$ 9,600.00
Administrative and HR Manager	1	\$ 800.00	12	\$ 9,600.00
Assist. Administrative and HR	4	\$ 400.00	12	\$ 19,200.00
Food and Beverage Manager	2	\$ 800.00	12	\$ 19,200.00
Director of Finance	1	\$ 800.00	12	\$ 9,600.00
Accountant	2	\$ 800.00	12	\$ 19,200.00
Customer Services	6	\$ 400.00	12	\$ 28,800.00
Receptionist	6	\$ 800.00	12	\$ 57,600.00
Chef	4	\$ 800.00	12	\$ 38,400.00
Other Kitchen Staff	8	\$ 300.00	12	\$ 28,800.00
Restaurant Staff	13	\$ 200.00	12	\$ 31,200.00
House keeping	13	\$ 200.00	12	\$ 31,200.00
Drivers	3	\$ 200.00	12	\$ 7,200.00
Gardeners	8	\$ 200.00	12	\$ 19,200.00
Security	6	\$ 200.00	12	\$ 14,400.00
	81			\$ 398,400.00

All employees will work on a full-time basis, a 3 month probation period with renewable yearly contracts. We shall also be using Qualified Volunteers in Gap Years and other Experts to supplement our staff from time to time. Contracts and Work Permits are provided if required.

JW Marriott Serengeti will provide staff accommodation, meals, water and electricity, Minimizing transportation costs. Personal health insurance and benefits, including 4 weeks vacation per year and ten paid sick days.

## 7.0 Financial Plan

### 7.1 Important Assumptions

The company may construct more or less than this number of rooms depending on market conditions, the availability of the profitable hotel, and the availability of working capital required to operate the company. The company will always seek guidance from a qualified CPA to review each apartment's profit potential based on future market conditions and the company's profit, risk, and tax situation. The financial assumptions upon which this plan is based are outlined as follows

Table: Financial assumptions

Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sales Growth	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Cost of Sales (% of Sales)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Sales on Credit	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Advertising and Promotion:	6.00 %	6.12 %	6.24 %	6.37 %	6.49 %	6.62 %	6.76 %	6.89 %	7.03 %	7.17%
Tax	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation : Straight line method for all real estate assets										
All room rates are based on All Inclusive										

### 7.3.0 Projected Financial Position

#### 7.3.1 Projected Profit and Loss

The company's Profit & Loss forecast provides detail of expenses for the company.

The following is a discussion of each line item listed in the Profit & Loss table. The table immediately follows this section.

#### Sales:

The company's sales revenue for the first twelve months is \$5,043,233 consisting of net sales from the sale of 40 lodges and other hotel services such as SPA facilities and Cigar Lounge services. Revenue increases to \$5,547,557.13 in the second year based on additional services provided by the hotel and marketing strategies that have been done by the marketing manager to attract more customers. Revenue rises gradually by 10% annually for 9 years.

#### Direct Cost of Sales:

All expenses associated with sales are accounted for as line items in the Profit and Loss forecast. We are assuming that 30% of the cost are directly attributed to the sale of our products and services.

#### General and Administrative Payroll:

Payroll is based on salaried positions listed in the Personnel table above. In the first year, we bring a full team of employees around 81 staff including General Manager, Marketing Manager, etc, along with providing payroll for the owners. In the first year, payroll totals \$398,400.00, increasing to \$418,320.00 in the second year. The policy of the company is to increase salary by 5% annually.

#### Advertising and Promotion:

In the first two months of operations, we will allocate \$7,000 toward initial marketing for items detailed in the marketing plan. These items include website development; business cards; signs; joining a regional foreclosure finder service; creating a property database; and postage for direct mailings. After this initial funding, we allocate 6% from sales for marketing, including local and international events for marketing and promotion such as ITB and others.

#### Depreciation:

As the company intends to hold properties only for a long duration, we will begin to depreciate our long-term assets from the first year. Assuming the company will use the straight-line method for calculating depreciation.

#### Corporate Office Rent and Utilities:

The company has anticipated requiring corporate office space from the first year of operations. Rent is allocated at \$4,166.66 per month, totaling \$50,000 per year. Utilities are estimated at \$4,583.33 per month, totaling \$55,000 per year.

#### Corporate Insurance:

Costs for an umbrella insurance policy are allocated at \$5,000 per month, totaling \$60,000 per year. We plan to increase our insurance coverage by 3% annual as we increase our revenue.

#### Staff accommodation

The nature of the hotel industry is to provide accommodation services not only to the customers but also to its staff. We have more than 80 staff in our hotel, we will allocate \$4,166.66 per month,

totaling \$50,000 per year, to make sure that our staff are working in a good environment. We plan to increase this by 5% annual as we increase our sales.

**Total Operating Expenses:**

For the first year, the company's Total Operating Expenses are \$922,054.75 increasing to \$960,890.10 in the second year primarily due to employee payroll costs, insurance coverage and marketing cost. In the third year, the company's Total Operating Expenses increased to \$987,352.96

**Earnings Before Interest and Taxes (EBIT):**

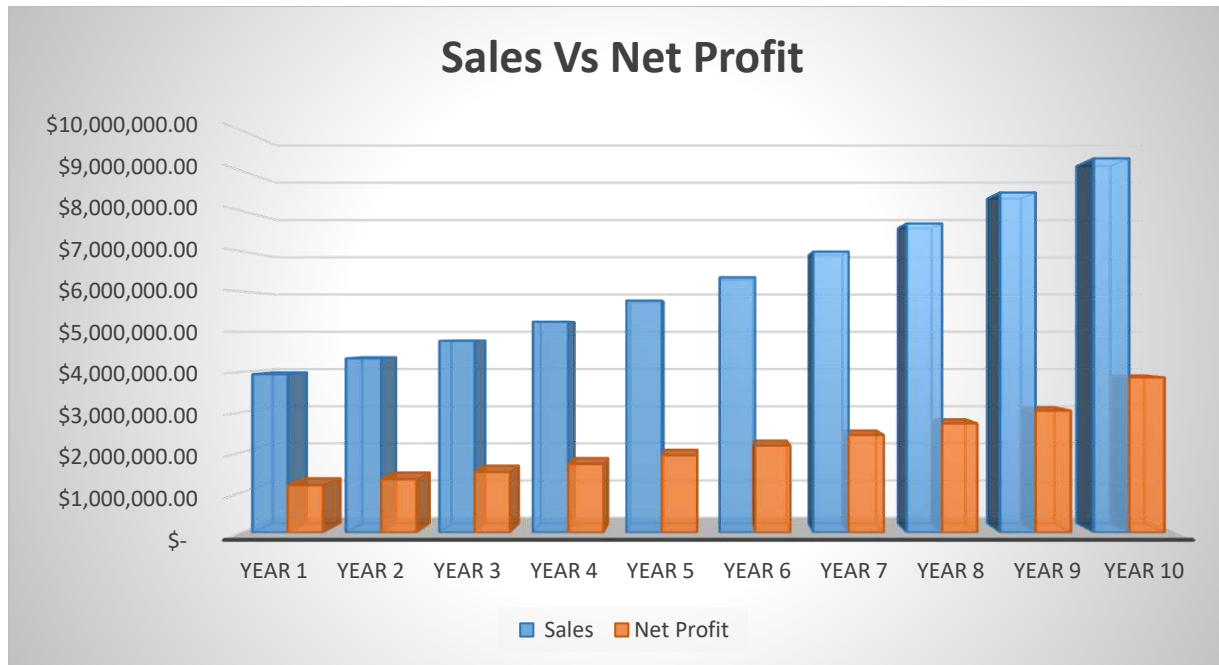
JW Marriott Serengeti will start to earn profit from the first year of operation due to good management of operations cost. In the first year, the company's EBIT is forecast at a profit of \$1,647,982 increasing gradually to \$1,873,139.47 in the second year primarily due to an increase in sales revenue.

**Taxes Incurred:**

Under the Tanzania income tax Act 2004, 30% of the tax rate applies.



Chart: Sales and Net Profit



### 7.3.2 Projected Balance Sheet

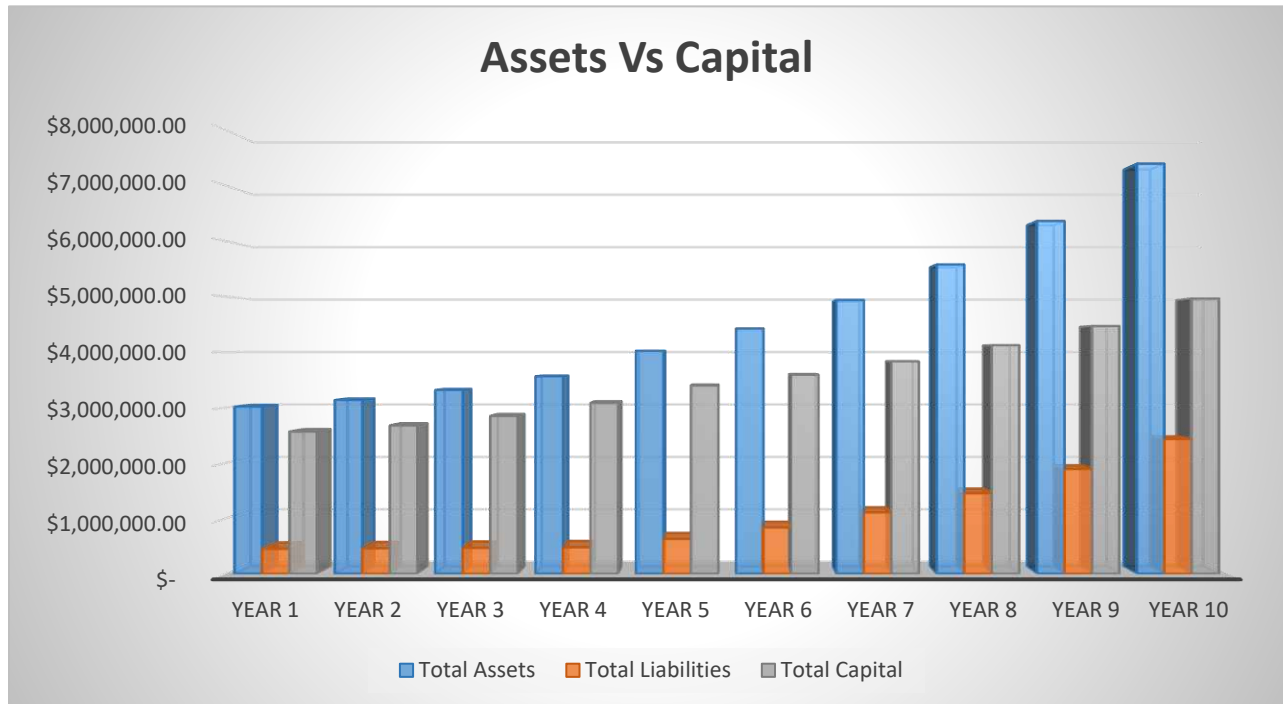
The company's projected Balance Sheet reflects assets of \$10,994,330.40 after the first twelve months of operations, derived primarily from sales of hotel rooms and other hotel services.

Total Liabilities is forecast at \$450,000 for the first year, as we assume to have paid most of our obligations for the services obtained from the suppliers. Total Liabilities increases in the second year to \$459,000 based primarily on accrued obligations from the suppliers.

Table: JW Marriott Serengeti  
Balance Sheet  
For each of the ten years ending 31 December

<b>Balance Sheet:</b>										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Assets</b>										
<b>Cash</b>	\$ 1,061,824.15	\$ 2,328,901.30	\$ 3,836,851.48	\$ 5,612,037.92	\$ 7,683,823.74	\$ 9,095,091.14	\$ 10,740,442.59	\$ 12,647,522.59	\$ 14,847,546.79	\$ 17,613,942.28
<b>Inventory</b>	\$ 70,000.00	\$ 71,400.00	\$ 72,828.00	\$ 74,284.56	\$ 75,770.25	\$ 77,285.66	\$ 78,831.37	\$ 80,408.00	\$ 82,016.16	\$ 83,656.48
<b>Accounts Receivable</b>	\$ 177,738.75	\$ 162,191.38	\$ 110,769.76	\$ 17,852.28	\$ 18,209.33	\$ 18,573.52	\$ 18,944.99	\$ 19,323.89	\$ 19,710.36	\$ 20,104.57
<b>Working Capital</b>	\$ 180,000.00	\$ 198,000.00	\$ 217,800.00	\$ 239,580.00	\$ 263,538.00	\$ 289,891.80	\$ 318,880.98	\$ 350,769.08	\$ 385,845.99	\$ 424,430.58
<b>Other Current Assets</b>	\$ 285,000.00	\$ 293,550.00	\$ 302,356.50	\$ 311,427.20	\$ 320,770.01	\$ 330,393.11	\$ 340,304.90	\$ 350,514.05	\$ 361,029.47	\$ 371,860.36
<b>Total Current assets</b>	\$ 1,774,562.90	\$ 3,054,042.67	\$ 4,540,605.74	\$ 6,255,181.96	\$ 8,362,111.33	\$ 9,811,235.23	\$ 11,497,404.83	\$ 13,448,537.60	\$ 15,696,148.77	\$ 18,513,994.27
<b>Long term Assets</b>										
<b>Hotel Building</b>	\$ 7,000,000.00	\$ 7,000,000.00	\$ 7,000,000.00	\$ 7,000,000.00	\$ 7,000,000.00	\$ 7,000,000.00	\$ 7,000,000.00	\$ 7,000,000.00	\$ 7,000,000.00	\$ 7,000,000.00
<b>Accumulated Depreciation</b>	\$ 175,000.00	\$ 350,000.00	\$ 525,000.00	\$ 700,000.00	\$ 875,000.00	\$ 1,050,000.00	\$ 1,225,000.00	\$ 1,400,000.00	\$ 1,575,000.00	\$ 1,750,000.00
	\$ 6,825,000.00	\$ 6,650,000.00	\$ 6,475,000.00	\$ 6,300,000.00	\$ 6,125,000.00	\$ 5,950,000.00	\$ 5,775,000.00	\$ 5,600,000.00	\$ 5,425,000.00	\$ 5,250,000.00
<b>Land</b>	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
<b>Accumulated Depreciation</b>	\$ 10,000.00	\$ 20,000.00	\$ 30,000.00	\$ 40,000.00	\$ 50,000.00	\$ 60,000.00	\$ 70,000.00	\$ 80,000.00	\$ 90,000.00	\$ 100,000.00
	\$ 240,000.00	\$ 230,000.00	\$ 220,000.00	\$ 210,000.00	\$ 200,000.00	\$ 190,000.00	\$ 180,000.00	\$ 170,000.00	\$ 160,000.00	\$ 150,000.00
<b>Furniture and Fixtures</b>	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00
<b>Accumulated Depreciation</b>	\$ 200,000.00	\$ 400,000.00	\$ 600,000.00	\$ 800,000.00	\$ 1,000,000.00	\$ 1,200,000.00	\$ 1,400,000.00	\$ 1,600,000.00	\$ 1,800,000.00	\$ 2,000,000.00
	\$ 1,800,000.00	\$ 1,600,000.00	\$ 1,400,000.00	\$ 1,200,000.00	\$ 1,000,000.00	\$ 800,000.00	\$ 600,000.00	\$ 400,000.00	\$ 200,000.00	\$ -
<b>Motor Vehicle</b>	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
<b>Accumulated Depreciation</b>	\$ 5,000.00	\$ 10,000.00	\$ 15,000.00	\$ 20,000.00	\$ 25,000.00	\$ 30,000.00	\$ 35,000.00	\$ 40,000.00	\$ 45,000.00	\$ 50,000.00
	\$ 95,000.00	\$ 90,000.00	\$ 85,000.00	\$ 80,000.00	\$ 75,000.00	\$ 70,000.00	\$ 65,000.00	\$ 60,000.00	\$ 55,000.00	\$ 50,000.00
<b>Total Longterm Assets</b>	\$ 8,960,000.00	\$ 8,570,000.00	\$ 8,180,000.00	\$ 7,790,000.00	\$ 7,400,000.00	\$ 7,010,000.00	\$ 6,620,000.00	\$ 6,230,000.00	\$ 5,840,000.00	\$ 5,450,000.00
<b>Total Assets</b>	\$ 10,734,562.90	\$ 11,624,042.67	\$ 12,720,605.74	\$ 14,045,181.96	\$ 15,762,111.33	\$ 16,821,235.23	\$ 18,117,404.83	\$ 19,678,537.60	\$ 21,536,148.77	\$ 23,963,994.27
<b>Liabilities and Capital</b>										
<b>Current Liabilities</b>										
<b>Account Payable</b>	\$ 450,000.00	\$ 459,000.00	\$ 468,180.00	\$ 477,543.60	\$ 628,456.36	\$ 835,394.58	\$ 1,107,463.35	\$ 1,455,382.67	\$ 1,891,789.88	\$ 2,431,600.59
<b>Other current liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal Current Liabilities</b>	\$ 450,000.00	\$ 459,000.00	\$ 468,180.00	\$ 477,543.60	\$ 628,456.36	\$ 835,394.58	\$ 1,107,463.35	\$ 1,455,382.67	\$ 1,891,789.88	\$ 2,431,600.59
<b>Longterm Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	\$ 450,000.00	\$ 459,000.00	\$ 468,180.00	\$ 477,543.60	\$ 628,456.36	\$ 835,394.58	\$ 1,107,463.35	\$ 1,455,382.67	\$ 1,891,789.88	\$ 2,431,600.59
<b>Capital</b>										
<b>Shareholder's Investment</b>	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00
<b>Retained Earnings</b>	\$ -	\$ 994,330.40	\$ 2,139,664.42	\$ 3,464,497.16	\$ 4,987,014.42	\$ 5,737,320.85	\$ 6,595,384.04	\$ 7,572,054.16	\$ 8,679,237.21	\$ 9,691,876.48
<b>Earning</b>	\$ 994,330.40	\$ 1,145,334.02	\$ 1,324,832.74	\$ 1,522,517.26	\$ 1,740,161.72	\$ 1,979,710.59	\$ 2,243,294.81	\$ 2,533,249.38	\$ 2,852,132.65	\$ 3,678,986.76
<b>Total Capital</b>	\$ 10,994,330.40	\$ 12,139,664.42	\$ 13,464,497.16	\$ 14,987,014.42	\$ 16,727,176.14	\$ 17,717,031.44	\$ 18,838,678.85	\$ 20,105,303.53	\$ 21,531,369.86	\$ 23,370,863.24
<b>Total Liabilities and Capital</b>	\$ 11,444,330.40	\$ 12,598,664.42	\$ 13,932,677.16	\$ 15,464,558.02	\$ 17,355,632.50	\$ 18,552,426.02	\$ 19,946,142.20	\$ 21,560,686.21	\$ 23,423,159.74	\$ 25,802,463.84

Chart: Total Assets V/s Total Capital



### 7.3.3 Cash Flow Statement

Many start-up companies go bankrupt because of cash flow deficiencies. That is why our main concern will be to have sufficient cash on hand to meet our payment obligations and be prepared for unexpected needs of cash. Our conservative projections indicate that our business can generate positive cash flows and sufficient cash reserves.

In addition to normal cash inflows and outflows, we will focus on establishing sufficient cash reserves for contingencies. That includes a possible line of credit with our bank that could be used in slow sales periods as well. This is a good way to control the cash flow risk. In addition, excess cash, as projected, should not remain idle, especially during periods of high-interest rates. Management will consider investing idle funds in time deposits or certificates of deposit at banks, in government securities, or other trading securities (cash equivalents). The following table and chart show the projected cash flow for ten years.

Table: JW Marriott Serengeti  
Cash Flow Statement  
For each of the ten years ending 31 December

<u>Cashflows Statement</u>										
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Cash received / Inflow	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b><u>Cash From operation</u></b>										
Cash sales	\$ 3,155,950.00	\$ 3,471,545.00	\$ 3,818,699.50	\$ 4,200,569.45	\$ 4,620,626.40	\$ 5,082,689.03	\$ 5,590,957.94	\$ 6,150,053.73	\$ 6,765,059.10	\$ 7,441,565.02
Cash from Receivables	\$ 85,000.00	\$ 102,000.00	\$ 122,400.00	\$ 146,880.00	\$ 176,256.00	\$ 211,507.20	\$ 253,808.64	\$ 304,570.37	\$ 365,484.44	\$ 438,581.33
<b>Subtotal Cash from Operations</b>	<b>\$ 3,240,950.00</b>	<b>\$ 3,573,545.00</b>	<b>\$ 3,941,099.50</b>	<b>\$ 4,347,449.45</b>	<b>\$ 4,796,882.40</b>	<b>\$ 5,294,196.23</b>	<b>\$ 5,844,766.58</b>	<b>\$ 6,454,624.10</b>	<b>\$ 7,130,543.55</b>	<b>\$ 7,880,146.35</b>
<b><u>Additional cash received</u></b>										
Sales Tax / VAT received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales of Company Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Investment Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Cash Received/Inflows:</b>	<b>\$ 3,240,950.00</b>	<b>\$ 3,573,545.00</b>	<b>\$ 3,941,099.50</b>	<b>\$ 4,347,449.45</b>	<b>\$ 4,796,882.40</b>	<b>\$ 5,294,196.23</b>	<b>\$ 5,844,766.58</b>	<b>\$ 6,454,624.10</b>	<b>\$ 7,130,543.55</b>	<b>\$ 7,880,146.35</b>
<b><u>CASH OUT FLOWS:</u></b>										
<b><u>Expenditures from Operation</u></b>										
Operating Costs:	\$ 1,192,084.25	\$ 1,252,510.42	\$ 1,299,843.86	\$ 1,351,573.61	\$ 1,408,202.78	\$ 1,470,294.91	\$ 1,538,481.33	\$ 1,613,469.33	\$ 1,696,051.50	\$ 1,106,774.01
Cash to Payable	\$ 22,000.00	\$ 24,200.00	\$ 26,620.00	\$ 29,282.00	\$ 32,210.20	\$ 35,431.22	\$ 38,974.34	\$ 42,871.78	\$ 47,158.95	\$ 51,874.85
<b>Subtotal Spent from Operations</b>	<b>\$ 1,214,084.25</b>	<b>\$ 1,276,710.42</b>	<b>\$ 1,326,463.86</b>	<b>\$ 1,380,855.61</b>	<b>\$ 1,440,412.98</b>	<b>\$ 1,505,726.13</b>	<b>\$ 1,577,455.67</b>	<b>\$ 1,656,341.11</b>	<b>\$ 1,743,210.45</b>	<b>\$ 1,158,648.86</b>
<b><u>Additional Cash Spent</u></b>										
Corporate Tax	\$ 506,976.60	\$ 571,692.44	\$ 648,620.46	\$ 733,342.40	\$ 826,618.59	\$ 929,282.40	\$ 1,042,247.06	\$ 1,166,513.30	\$ 1,303,177.57	\$ 1,657,543.61
Loan Principal repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase of Company Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,084,162.80	\$ 1,215,954.90	\$ 1,360,932.19	\$ 1,520,373.83	\$ 1,933,800.88
<b>Total Cash Outflows:</b>	<b>\$ 1,721,060.85</b>	<b>\$ 1,848,402.85</b>	<b>\$ 1,975,084.32</b>	<b>\$ 2,114,198.01</b>	<b>\$ 2,267,031.58</b>	<b>\$ 3,519,171.33</b>	<b>\$ 3,835,657.63</b>	<b>\$ 4,183,786.60</b>	<b>\$ 4,566,761.84</b>	<b>\$ 4,749,993.36</b>
Net Cash Flow	\$ 1,519,889.15	\$ 1,725,142.15	\$ 1,966,015.18	\$ 2,233,251.44	\$ 2,529,850.82	\$ 1,775,024.91	\$ 2,009,108.94	\$ 2,270,837.50	\$ 2,563,781.70	\$ 3,130,152.99
Beginning Balance	\$ -	\$ 1,519,889.15	\$ 3,245,031.30	\$ 5,211,046.48	\$ 7,444,297.92	\$ 9,974,148.74	\$ 11,749,173.64	\$ 13,758,282.59	\$ 16,029,120.09	\$ 18,592,901.79
<b>Ending Cash Balance</b>	<b>\$ 1,519,889.15</b>	<b>\$ 3,245,031.30</b>	<b>\$ 5,211,046.48</b>	<b>\$ 7,444,297.92</b>	<b>\$ 9,974,148.74</b>	<b>\$ 11,749,173.64</b>	<b>\$ 13,758,282.59</b>	<b>\$ 16,029,120.09</b>	<b>\$ 18,592,901.79</b>	<b>\$ 21,723,054.78</b>

Chart: Cash flow

