

# Business Plan

## 1. Project description

Johari Rotana hotel is the biggest business hotel in Dar and it was invested by CRJE ESATE LIMITED. The main activity of the hotel is to provide food and beverage, rooms, banquet and conference service to the guests. The hotel has 256 key and 3000 square meters for conference facility. The project was completed in September 2019 and the total investment was above USD 100,000,000 . During the construction, more than 5000 local employees have been employed, and during operation period, we employed more than 300 local employees.



## 2. Investment breakdown

The hotel was reopened on 1<sup>st</sup> June, at beginning, the revenue can not sustain the daily expense. Thus the investment is mainly for the daily operation of hotel, for example the salary, rental expense, inventory, insurance, utility etc..

This situation only last two months, after two months, the hotel can make the ends meet, as the owner, we do not need to investment money.

The investment breakdown is as follows:

Investment breakdown				
S/N	DESCRIPTION	June'22	July'22	TOTAL US \$
<b>B</b>	<b>WORKING CAPITAL</b>			
1	Cash Salaries & Related Exp	93,890	99,097	192,988
2	Rental Employee Housing			-
3	Inventories (food, beverage, guest amenity)	85,000	85,000	170,000
4	Insurance - Medical Insurance Premium	20,000	20,000	40,000
5	Utility (electricity, water, gas etc.)	4,708	4,265	8,973
6	Others Contract Services (security, internet, legal service )	26,708	26,708	53,417
7	Advertising & Promotion	10,000	10,000	20,000
		<b>240,307</b>	<b>245,071</b>	<b>465,378</b>

### 3. Capacity

The hotel has good facility as follows.

- (1) 256 guest rooms and serviced apartments ranging from a presidential suite, serviced apartments and guest rooms
- (2) Retail and offices on various floors
- (3) Largest hotel conference facilities in TZ
- (4) Ballroom of 900 sqm. The largest meeting facilities in a hotel in Tanzania. A ballroom for 1000 PAX theatre style or 580 PAX Dinner
- (5) 7 F&B outlets
- (6) Pool & Garage
- (7) Fitness and Spa

With 7 F&B outlets the Johari Rotana's daily consumption of perishables translates into a huge monthly purchase with the need of a steady and sustainable supply.

- (1) Chicken approx 6000-7000 kg per month,
- (2) Beef and lamb approx 5000-6000 kg per month
- (3) Seafood: fish, prawn, lobster, squid etc. approx 1000 - 2000 kg per month
- (4) Vegetable approx 9000 kg per month
- (5) Fruit approx 5000-6000 kg per month
- (6) White sugar 800 kg and flour 2000 kg per month
- (7) Potatoes, rice etc. 4000-5000 kg per month

These large quantities needed and the demand for continues supply chain will stimulate the local and regional production; it will provide additional income for farmers and fishermen, as well as food productions and other industries in Tanzania

The biggest hotel in Tanzania with 256 rooms The best equipped facility, with over During the operation, more than 370 job opportunities covering human resources, financial, engineering, food & beverage, sales and marketing, learning and

development, security, guest services, spa and club as well as reception services will be provided. Through professional trainings all employees will be able to improve their skills and become competitive in Tanzania's hospitality market.

#### 4. Marketing plan

We made long-term and comprehensive plan. The detailed plan is as follows:

ACTION	BY WHOM	BUDGET
		USD
<b>Digital Strategies</b>		<b>69,068</b>
Social media management and content creation retainer	Social media agency	20,000
5 months sponsored ads announcing hotel re-opening, special rate promotions, featuring Rotana safe space program for Instagram, Facebook, Twitter	Creative agency	12,500
5 months sponsored ads for Hamilton's reopening announcement on Instagram, Facebook, Youtube	Creative agency	12,500
Reopening E-mail HTML announcement to our local clients and corporate database	MarCom	
Resume Google campaign	BPN	4,588
Selcom and ABSA bulk SMS and direct mail partnership, sending re-opening messages to their database	Selcom/MarCom	
Search Engine Optimisation	MarCom, 80 DAYS	5,480
Social media influencers collaboration to create hotel and Hamilton's reopening awareness, increase engagement and followers; utilise reels	MarCom	1,000
Programmatic buying; Crimtam, Sojern		10,000
Hotel photoshoot; meeting rooms, Almasi, Hamilton's, new menu items		3,000
<b>Offline Strategies</b>		<b>38,623</b>
<b>Outdoor:</b> LED screen on Ohio Street (opp. Serena hotel) Billboard on Salender Bridge 'NOW OPEN/OPENING SOON billboard outside the hotel-permanent showing	Creative agency/MarCom	16,937
<b>Radio:</b> Presenter mentions on Clouds FM at rush hour morning and evening programs(Power breakfast & Jahazi) 2 weeks before opening	Creative agency/MarCom	6,261
<b>Magazines:</b> 2 months Adverts on Dar Life and Advertising Dar Advert on Twiga -Air Tanzania inflight magazine (July-September Issue)	Creative agency/MarCom	5,645
<b>Newspapers:</b> 2 advertisements of 3 full pages in Mwananchi, The Citizen, The Gaurdian	Creative agency/MarCom	9,780
<b>Partnerships</b>		
Partnership with Pepsi for digital screens and billboards advertising for Hamilton's	Pepsi/MarCom/Creative agency	sponsored
Activation in partnership with a brand for an opening event at Hamilton's (MMI, Grooveback, St8up Vibes)	F&B/MarCom	sponsored
Revisiting partnerships with ABSA, Tigo, Precision Air and seek out partnerships with other airlines and Telco's; suppliers partnerships for F&B promotion	MarCom	sponsored

## 5. Financial projection for 5 yrs

Johari Rotana  
PRELIMINARY TEN YEARS PROJECTION

STATISTICS	Base Year		Y1		Y2		Y3		Y4		Y5	
	USD		USD	%	USD	%	USD	%	USD	%	USD	%
Rotana Rooms Available	52,992		93,440		93,440		93,440		93,696		93,440	
Rotana Rooms Sold	15,898		51,392		56,064		58,157		60,902		63,539	
Rotana % of Occupancy		30%		55%		60%		62%		65%		68%
Rotana Average Room Rate	178.0		178.0		182.9		189.0		194.0		199.8	
<b>Total Room Revenue Hotel</b>	<b>2,829,844.0</b>		<b>9,147,776</b>		<b>10,252,424</b>		<b>10,991,684</b>		<b>11,815,066</b>		<b>12,696,403</b>	
F&B Revenue Per Day	7,787		15,609		17,539		18,739		20,157		21,720	
<b>OPERATING REVENUE:</b>												
Rooms	2,829,844	61.4	9,147,776	59.7	10,252,424	59.6	10,991,684	59.6	11,815,066	59.6	12,696,403	59.5
Food & Beverage	1,611,814	35.0	5,697,212	37.2	6,401,595	37.2	6,839,805	37.1	7,357,406	37.1	7,927,888	37.2
Other Operated Department	119,235	2.6	385,440	2.5	441,504	2.6	476,306	2.6	513,754	2.6	552,078	2.6
Rental & Other Income	44,760	1.0	100,000	0.7	110,000	0.6	121,000	0.7	133,100	0.7	146,410	0.7
<b>Total Revenue</b>	<b>4,605,652</b>	<b>100.0</b>	<b>15,330,428</b>	<b>100.0</b>	<b>17,205,522</b>	<b>100.0</b>	<b>18,428,795</b>	<b>100.0</b>	<b>19,819,326</b>	<b>100.0</b>	<b>21,322,778</b>	<b>100.0</b>
<b>DEPARTMENTAL PROFIT:</b>												
Rooms	2,088,246	73.8	7,327,515	80.1	8,165,752	79.6	8,769,138	79.8	9,431,492	79.8	10,147,054	79.9
Food & Beverage	213,658	13.3	2,136,085	37.5	2,529,217	39.5	2,718,832	39.8	2,951,908	40.1	3,172,470	40.0
Other Operated Department	(19,669)	(16.5)	113,320	29.4	145,771	33.0	161,236	33.9	177,462	34.5	188,506	34.1
Rental & Other Income	24,618	55.0	55,000	55.0	61,400	55.8	69,970	57.8	77,988	58.6	86,889	59.3
<b>TOTAL DEPARTMENTAL PROFIT</b>	<b>2,306,852</b>	<b>50.1</b>	<b>9,631,920</b>	<b>62.8</b>	<b>10,902,140</b>	<b>63.4</b>	<b>11,719,176</b>	<b>63.6</b>	<b>12,638,850</b>	<b>63.8</b>	<b>13,594,918</b>	<b>63.8</b>
<b>UNDISTRIBUTED OPERATING EXPENSES (U.O.E):</b>												
Administrative and General	397,677	8.6	1,210,632	7.9	1,278,404	7.4	1,344,357	7.3	1,414,220	7.1	1,506,361	7.1
Information and Telecommunications Systems	358,440	7.8	231,218	1.5	241,928	1.4	253,169	1.4	262,995	1.3	273,272	1.3
Sales and Marketing	321,837	7.0	940,198	6.1	967,429	5.6	995,794	5.4	1,025,358	5.2	1,058,282	5.0
Property Operation and Maintenance	441,105	9.6	662,237	4.3	803,858	4.7	833,666	4.5	864,766	4.4	904,244	4.2
Energy Cost	321,955	7.0	822,272	5.4	807,322	4.7	753,715	4.1	789,295	4.0	823,468	3.9
<b>TOTAL U.O.E</b>	<b>1,841,014</b>	<b>40.0</b>	<b>3,866,557</b>	<b>25.2</b>	<b>4,098,941</b>	<b>23.8</b>	<b>4,180,702</b>	<b>22.7</b>	<b>4,356,635</b>	<b>22.0</b>	<b>4,565,627</b>	<b>21.4</b>
<b>GROSS OPERATING PROFIT (GOP)</b>	<b>465,838</b>	<b>10.1</b>	<b>5,765,363</b>	<b>37.6</b>	<b>6,803,200</b>	<b>39.5</b>	<b>7,538,474</b>	<b>40.9</b>	<b>8,282,215</b>	<b>41.8</b>	<b>9,029,291</b>	<b>42.3</b>
<b>MANAGEMENT FEES:</b>												
Base Fee	92,113	2.0	308,664	2.0	344,110	2.0	368,576	2.0	396,790	2.0	426,456	2.0
Incentive Fee	30,437	0.7	270,110	1.8	448,169	2.6	484,867	2.6	533,801	2.7	722,343	3.4
<b>NON OPERATING INCOME AND EXPENSES</b>												
Rent	87,500	1.9	150,000	1.0	156,000	0.9	162,240	0.9	168,730	0.9	175,479	0.8
Insurance	31,789	0.7	54,496	0.4	56,676	0.3	58,943	0.3	61,300	0.3	63,753	0.3
<b>TOTAL NON OPERATING INCOME AND EXPENSES</b>	<b>119,289</b>	<b>2.6</b>	<b>204,496</b>	<b>1.3</b>	<b>212,676</b>	<b>1.2</b>	<b>221,183</b>	<b>1.2</b>	<b>230,030</b>	<b>1.2</b>	<b>239,231</b>	<b>1.1</b>
FF&E Replacement Reserve	182,670	4.0	308,664	2.0	344,110	2.0	552,864	3.0	595,184	3.0	852,911	4.0
<b>Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) Less Replacement Reserve</b>	<b>41,329</b>	<b>0.9</b>	<b>4,673,429</b>	<b>30.5</b>	<b>5,454,134</b>	<b>31.7</b>	<b>5,910,985</b>	<b>32.1</b>	<b>6,526,410</b>	<b>32.9</b>	<b>6,788,350</b>	<b>31.8</b>

## 6. Implementation schedule

The 256 guest rooms and serviced apartments, our large conference facilities with over 2000 sqm all on one floor (incl. a ballroom of 900 sqm) will not only appeal to Corporate and leisure guests alike, but also opens new opportunities for the conference and meeting market in Dar es Salaam. Together with the Nyerere International Conference Center joint marketing and promotion efforts could attract buyers and organizers from different source markets to come to Dar for the ultimate conference and convention experience

Together with the newly enhanced arrival experience offered by the new terminal at the Julius Nyerere Airport in Dar es Salaam, the Johari Rotana could be hosting international and Sub Sahara conferences, which currently frequent other African destinations such as Nairobi, Johannesburg, Abuja, Addis Ababa etc. due to space restrictions in other hotel properties. Spin off business from convention business would support economically areas such as car rentals, restaurant & bars, retail, street vendors, taxi, other hotels etc.

<b>Implementation schedule</b>		
<b>Time</b>	<b>Action</b>	<b>Comments</b>
1 <sup>st</sup> June	Partially reopen the hotel and start to entertain the guests. Opening 89 keys, Kibo restaurant and Hamilton's, conference and banquet.	Done
1 <sup>st</sup> June to 1 <sup>st</sup> September	Market the hotel in Tanzania, Kenya, South Africa etc..	On progress
2 <sup>nd</sup> September	Fully reopen the hotel. Open all rooms, All day dinning restaurant, SPA, Salon etc.	Planned