

# BUSINESS PLAN



**ONA SAFARI**

CATCH THE MOMENT

## 1. EXECUTIVE SUMMARY

The tourism industry has undergone rapid growth of unsurpassed nature over the last several decades. This has mainly been due to the advent of a 'borderless' world and increased information dissemination about the majestic sceneries throughout the world, with the Eastern African region being amongst the top 10 destinations.

We are on the brink of penetrating a lucrative market in a rapidly growing industry. The current trend towards an increase in the number of tourists entering the country presents an opportunity for Ona Safari to penetrate the market. An opportunity for Ona Safari success exists because the national tourism industry is growing at a rapid pace annually. According to the World Travel & Tourism Council (WTTC) forecast for 2017-2027 Tanzania is forecasted as the 9<sup>th</sup> destination in the world with the fastest GDP growth directly contributed from Travel and Tourism.

Ona Safari is poised to take advantage of this growth and moderate competition in the hospitality industry, with a dedicated and experienced staff, excellent networking, and effective management and marketing. Ona Safari intends to provide a comfortable and quality camping, lodges and tour operation to tourists in and out of the national parks, but where necessary to work together with other partners to incorporate an all-inclusive travel package. Services and products provided by Ona Safari will initially include, custom packages according to clients' specifications, travel consultation, and making reservations for lodging amongst other related services. Ona Safari seeks to differentiate itself as the premier Safari company in the region.

Our services will be positioned very carefully: they will be of extremely high quality, comfortable, informative and tailored to the clients needs such that they will enable individuals to have a greater appreciation of the natural environment and its intricacies.

Our marketing strategy will be based mainly on ensuring customers know about our existence and the service(s) we provide. Hence our intention is to make the right information available to the right target customers. This will be done through implementing a market penetration strategy that will ensure that we are well known and respected in the tourism industry. We will ensure that our prices take into consideration peoples' budgets, that these people appreciate the service(s), know that it exists, and how to contact us. The marketing will convey the sense of quality in every

picture, every promotion, and every publication. Our promotional strategy will involve integrating advertising, events, personal selling, public relations, direct marketing and the Internet, details of which are provided in the marketing section of this plan.

Our aim is not just to take individuals on a plain sightseeing excursion, but to ensure that they appreciate the beauty of the Serengeti, Manyara, Tarangire and all other many national parks and its unique features through provision of a customized professional tour. This element will assist in differentiating us from our competitors and contribute towards the development of a sustainable competitive advantage. Hence we aim to engage qualified persons for the provision of services to ensure optimum growth. We intend to develop our team so that our people can grow as the company grows – that we have a mutually beneficial relationship.

This endeavor has a high likelihood of success having undergone extensive market research on consumer spending, demands in the tourist industry, and adequacy of supply. The business will earn modest profits in years one and two, increasing exponentially in year three. Net profit is forecasted to be commensurate in years two and three. Years four and five are projected to have elevated profit levels compared to the three groundwork years.

## **2. COMPANY OWNERSHIP**

Ona Safari is a Private Limited company incorporated at the Registrar of Companies through the foresight and vision of its shareholders.

The ownership of Ona Safari are as follows: one shareholder is a Tanzanian and the other is a German with the below shareholding structure,

- |                 |     |
|-----------------|-----|
| 1. Julius Mkodo | 60% |
| 2. Dirk Wiedau  | 40% |

## **3. COMPANY DESCRIPTION**

The tour operator company, named Ona Safari aims to provide unique and memorable travel experiences to domestic and international tourists. The company will specialize in organizing guided tours to various destinations, offering a range of services including transportation, accommodation, activities, and expert guides, and providing accommodation services to tourists via tented camps and lodges. Ona Safari will differentiate itself by focusing on sustainable tourism practices, promoting local culture and heritage, and providing exceptional customer service.

#### **4. COMPANY LOCATION**

At present the company offices are located within the Arusha region, Mateves, Olmoti Ward, Mlimani Street within Arusha City, P. O. Box 11059 Arusha – Tanzania.

#### **5. MISSION**

The Mission Statement of Ona Safari is to ensure quality, efficiency, and value for money through tented lodges and camps, tour operators, and bookings by providing effective services while protecting the environment and safeguarding the interests of consumers and shareholders and marketing and selling a top-rated service while establishing an elite and reputable corporate image.

#### **6. OBJECTIVES**

Our business strategy will revolve around the need to provide quality services to our various target customers, in the process fully satisfying their needs. This shall be undertaken through recruitment of a professional team and the provision of good quality custom-designed travel packages, catering to the client's particular needs. In line with that some of our core objectives will be;

- a. With time our marketing campaign will increase the awareness of our services in the various market segments we shall be targeting. This is particularly so with the organization looking at establishing a clear advantage(s) in an increasingly competitive market. We will provide clients with the opportunity to experience the beauty of nature and see wildlife from a fresh perspective whilst all their needs are fully satisfied. Marketing material shall be professionally customized so as to be reflective of our intended image and reputation. We aim to position ourselves as a quality promoter of tourism in Tanzania by operating tented lodges and camps to accommodate tourists in Tanzania that provides customer-need

fulfillment, enjoyment, reliability, and a good image. We intend to establish a good rapport with all the relevant stakeholders including the authorities, and other key participants in the hospitality industry.

- b. Also to establish and operate tented lodges and camps to accommodate tourists in Tanzania and within East Africa and to carry on the business of tour operator on its own or in conjunction with, or in partnership with any person or company whether local or foreign and to ferry tourists local and foreign from in place to another, locally and in the neighboring countries.
- c. We also intend to promote tourism in Tanzania and elsewhere in Africa to carry on business as hotels managers, travel and tourist agents, and contractors, and to promote and facilitate travelling and to provide for tourist and travelers facilities of every description and in particular providing booking for travelers or circular tickets, sleeping cars or berths, hotel and lodging accommodation, guides, safe deposits, inquiry bureau and baggage transport and arranging and operating tour.
- d. To carry on business as a general commercial company in which it shall carry on trade or business whatsoever and have power to do all such things as are incidental or conducive to the carrying on of any trade or business.
- e. To carry on the business of travel and tour operators photographic and mountain climbing safaris and expedition.
- f. To carry on business of hotel, road house motel, holiday camp caravan sites, restaurants, café, tavern, beer-house, refreshment room, lodging house keepers and licensed victuallers and fit up and furnish any property for the purpose of letting the same to visitors / guests whether in single or double rooms, suits, chalets, caravans movable structures, cottages or otherwise.

## **7. SERVICES**

Ona Safari is a unique tourism company that intends to provide quality and comfortable tour travels, tented camps and lodges to customers. Ona Safari intends to guide customers in selecting a trip(s) based on their targeted experience. This analysis will be based on user profiles, set by the consumers, which includes preferences such as:

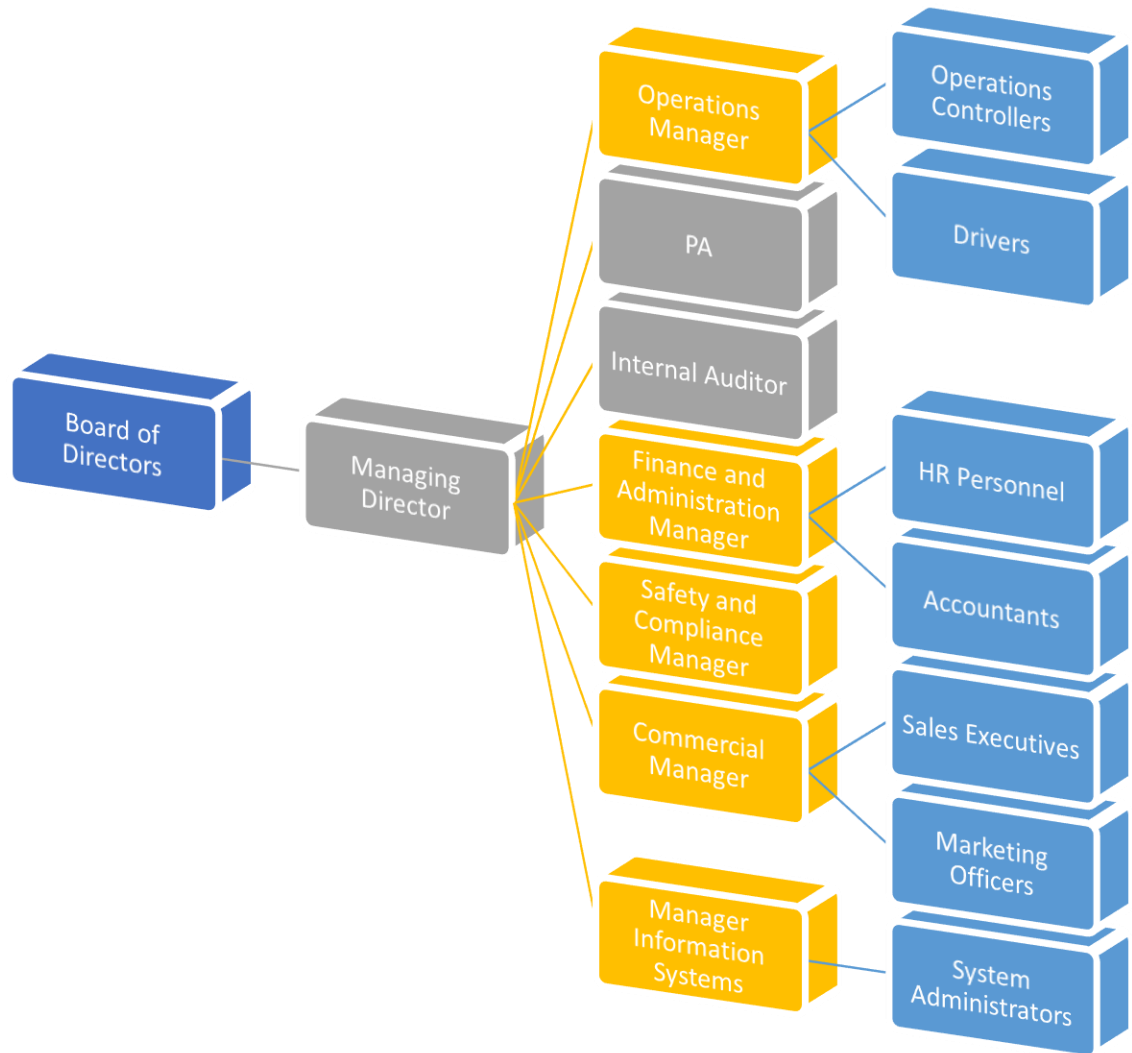
- Budget;

- Preferences sought;
- Category of travel, i.e. family, honeymoon, proposal and;
- Time of Travel

A traveler will hence be able to select areas of interest based on their preferences and subsequently customize their experience. The intention is to provide customers with access to a comfortable accommodation and view during their stay in different parks. More emphasis will be placed on the potential for travelers to fully appreciate destinations through information packages and by enjoying their stay through the provision of suitable and comfortable accommodation with every needed accomplices, good customer care, food, beverages and drinks.

## **8. PROPOSED MANAGEMENT STRUCTURE**

Ona Safari has a management structure which will help it to easily accomplish its objectives and intended investment. This stands to create employment opportunities towards people as the project will require a lot of qualified professionals to make the project successfully in an expected manner.



## 9. KEYS TO SUCCESS

The keys to Ona Safari success will undoubtedly be effective market segmentation through identification of several niche markets and implementation strategies. Along these lines, the company intends to implement advertising, personal selling, and direct marketing strategies to the target markets. Our personal selling marketing strategies will rotate around the establishment of an effective website, modern e-marketing programs, and partnerships with global stakeholders in the tourism industry. Hence our key success factors will include the following:

- A. **Efficient delivery of the product:** We intend to offer completely enjoyable, comfortable and informative travel excursions exceeding customer expectations and to ensure that travelers are thoroughly satisfied and have received the product as advertised.
- B. **Timely response to customers' requests:** As an elite corporation, we intend to offer timely responses to customer requests and to ensure that we are constantly available to assist the client while meeting or rather exceeding their expectations.
- C. **Solid and fruitful strategic alliances:** Considering the nature of our services and our relative infancy on the market, we realize the importance of establishing and maintaining fruitful strategic alliances with various stakeholders, including hotels, lodges, and travel agencies, amongst others, so as to be assured of a constant flow of customers, fulfilling their needs at every opportunity.
- D. **Marketing know-how:** As a relatively new company on the market there will be a need to aggressively market our business and the services we provide so as to be continuously at the top of our prospective clients' minds. This will also act as a temporary deterrent for new companies contemplating entering our market. The initial costs will heavily be spent on advertising.

## 10. PROJECT FINANCING

Ona Safari in its own capacity will stand as a financier in this project, and with the exception of the near future which is unpredictable, the company as far as this particular project is concerned will finance itself and make sure that the intended objectives and goals of the project are duly met.

## 11. START-UP SUMMARY

### 12. Table: Start-up costs

<i>Start-up Requirements</i>	
Start-up Expenses	
Legal	\$1,000
Stationery etc.	\$300
Research expenses	\$300
Consultants	\$1,000
Insurance	\$500
Rent	\$500
Other	\$300
Total Start-up Expenses	\$3,900
Start-up Assets	
Cash Required	\$20,000
Start-up Inventory	\$0

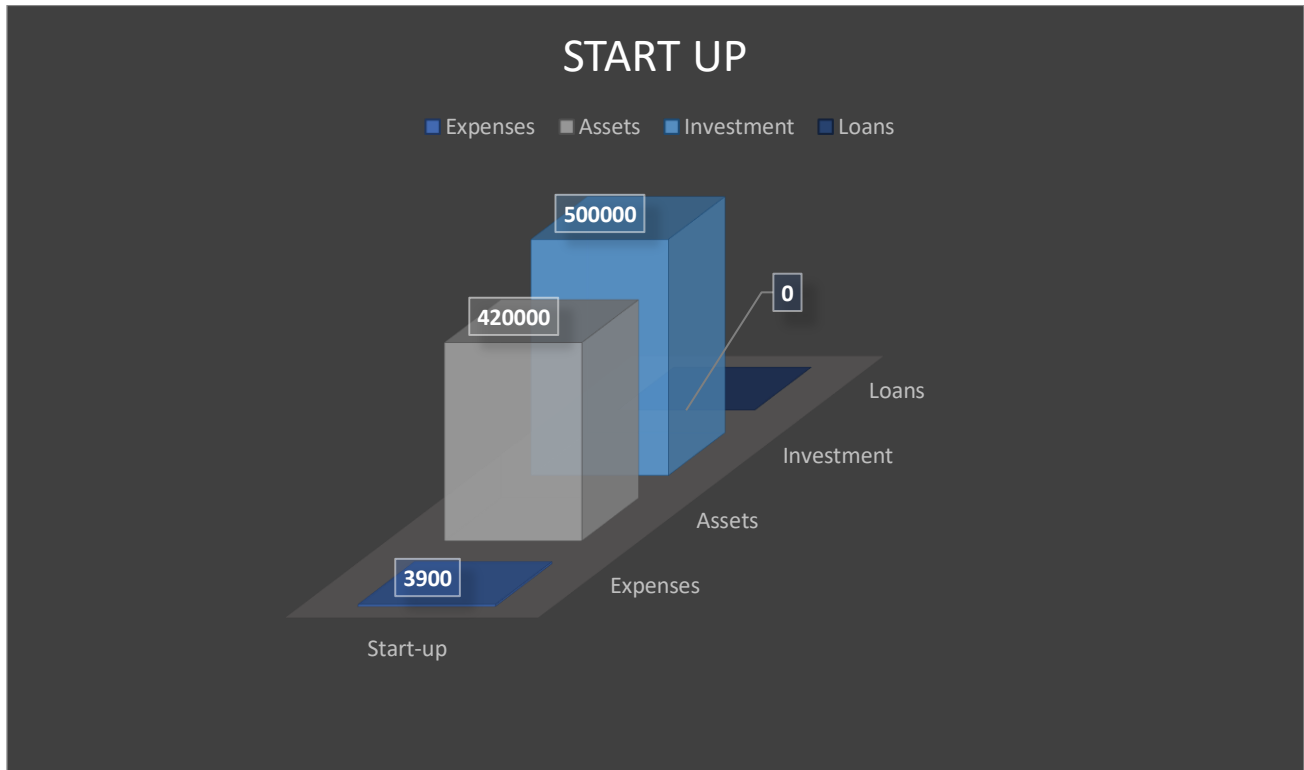
Other Current Assets	\$0
Long-term Assets	\$200,000
Total Assets	\$400,000
<b>Total Requirements</b>	<b>\$500,000</b>

13.

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$3,900
Start-up Assets to Fund	\$400,000
Total Funding Required	\$500,000
Assets	
Non-cash Assets from Start-up	\$300,000
Cash Requirements from Start-up	\$100,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$100,000
Total Assets	\$500,000
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Investor 1	\$168,000
Investor 2	\$168,000
Investor 3	\$168,000
Additional Investment Requirement	\$0
Total Planned Investment	500,000
Loss at Start-up (Start-up Expenses)	(\$4,000)
Total Capital	\$500,000
Total Capital and Liabilities	0,000
<b>Total Funding</b>	<b>\$500,000</b>

Chart 2: Start-up



## 14. COMPETITIVE ANALYSIS

Ona Safari faces competition from existing tour operators in the market. However, the company's unique selling proposition lies in its commitment to sustainable tourism practices, personalized itineraries, comfortable tented camps and lodges, knowledgeable guides, and exceptional customer service. By leveraging technology platforms for seamless booking processes and incorporating customer feedback into service improvements, Ona Safari aims to gain a competitive edge.

Existing competitors may identify the opportunity to diversify into our intended services utilizing their current client database. Naturally, existing clients will be inclined towards utilizing these familiar companies due to the fact that a good relationship may have already been nurtured over the years during their business dealings. This presents a potential challenge to us, as we need to aggressively market our services and expertise in the field.

An analysis of competition is provided in the Market Analysis section of this plan.

## 15. TECHNOLOGY

Ona Safari will strive to ensure that it contains the latest gadgets in technology including relevant software so as to ensure that the company is continuously at the forefront in our market arena. The one certainty in our industry is that technology will continue to evolve and develop, changing what we market as well as how we market it. Our aim will be to be ahead of the implications of technology and utilize it in our existing framework in all areas to improve our product.

We have already put in place the establishment of a fully functioning advanced website which offers easy access and the ability to book easily. With time we also intend to develop an app with the most efficient software in place to enable smooth operations.

## **16. FUTURE SERVICES**

In putting the company together we have attempted to offer enough services to allow us to always be in demand by our customers and clients. The most important factor in developing future services/products is market need. Our understanding of the needs of our target market segments shall be one of our competitive advantages. It is critical to our effort to develop the right new services. In the future, Ona Safari intends to broaden its coverage by expanding into additional markets. One of the main services it aims to provide is to become a destination management company that brings alive the magnificent under-explored areas of this country to the traveler. This will be done by co-coordinating the traveler's entire experience from hotel bookings, safaris and tours, greeting and porter services, and tour packages and incentives. However, in doing so we will strive to ensure that it is compatible with the existing products and company personnel. As time progresses the intention will be to provide an Eastern Africa tour package covering the whole of East Africa and at a later stage an African package.

## **17. MARKETING ANALYSIS**

### **a. Marketing Strategies**

To attract and retain customers, Ona Safari Tours will implement a multi-faceted marketing strategy. This will include:

- a. **Online Presence:** Developing a user-friendly website with detailed tour information, online booking capabilities, and engaging content to showcase the company's offerings.
- b. **Social Media Marketing:** Utilizing popular social media platforms to create brand awareness, engage with potential customers, and share captivating travel stories and images.
- c. **Partnerships:** Collaborating with local tourism boards, hotels, and travel agencies to expand reach and tap into their existing customer base.
- d. **Referral Programs:** Implementing referral programs to incentivize satisfied customers to recommend XYZ Tours to their friends and family.
- e. **Targeted Advertising:** Utilizing targeted online advertising campaigns to reach specific demographics and geographic regions.

**b. Market Segmentation**

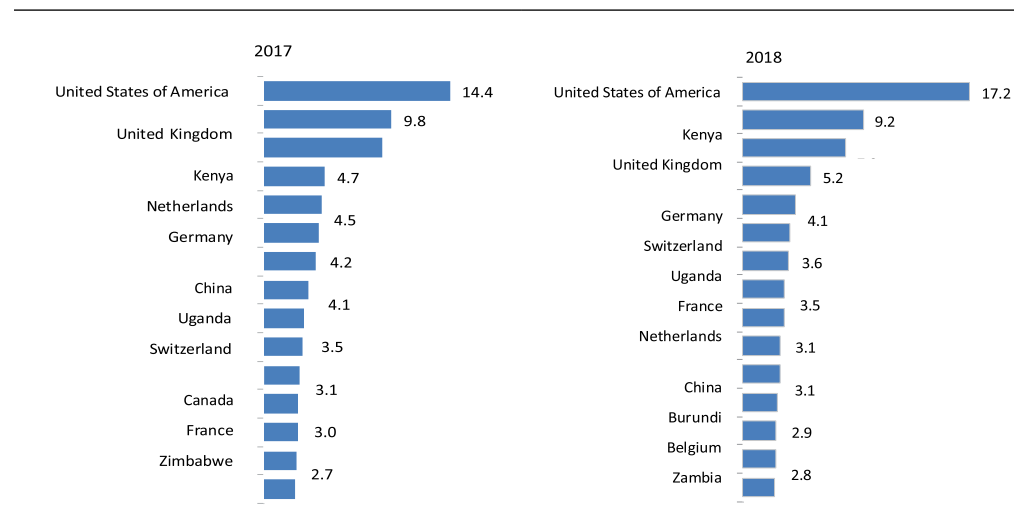
We will be focusing on those foreign tourists seeking to spice up their trip with a unique experience whilst on vacation in Tanzania, with the intention of letting them see and appreciate the attraction of found in Tanzania and possibly other places as well in the future.

Though we realize that the majority of our tourists come from South Africa we shall be mainly targeting those from Europe and the Americas who often do not have transport or adequate knowledge about the country, unlike their South African counterparts who often do. Hence we shall be mainly target those who are not that mobile but wanting to see as many sites as possible. These people often do not want to waste their money on hiring vehicles to move about by themselves, but instead want to be escorted around places of interest by a reliable source. Hence the need to professionally market ourselves and the services we provide, offering a service of uncompromised nature.

Despite Kenya's visitors being the dominant figure in arrivals, visitors from Kenya mostly come in to do business given the network of the East African Community and Kenya also having competing tourist interests.

As per the marketing strategy used by the honorable President of the United Republic of Tanzania famously known as “ROYAL TOUR” in 2020, we hereby expect more of tourists to visit Tanzania to witness the beauty of nature in different parks and game reserves.

### Top 15 source market from Tanzania Mainland



**Source:** The 2018 International Visitor exit survey report.

#### c. Target Market Segment Strategy

Our marketing strategy will be based mainly on making the right service(s) available to the right target customer. We will ensure that our services' prices take into consideration organizations' and peoples' budgets, and that these people know that we exist, appreciate the value of our services, and how to contact us. The marketing will convey a sense of quality in every service delivery, picture, promotion, and every publication. Our intension will be to target those individuals and groups looking for leisure activities and places to visit. We realize the need to focus on our marketing message and our service offerings. We need to develop our message, communicate it, and make good on it. The decision to establish strategic alliances with several airports, hotels, lodges and travel agencies is aimed at tapping our target market effectively and efficiently.

#### d. Marketing Expenses

Initial marketing and training expenses will be relatively high as we seek to become known on the market and staff get trained in the professional provision of our services. This will be brought about by the development of sales literature and advertising expenses. As our market share increases and capital is generated, further marketing programs and the expansion of those in existence at the time will be undertaken, to ensure market development. However with time these programs will start generating revenue for the business, which we shall in turn reinvest.

#### **e. Pricing Strategy**

Ona Safari will be competitively priced in relation to the dictates of the market. Due to the nature of our services we intend to implement a penetration pricing strategy which will ensure that potential customers are not frightened by our prices, up until our services are appreciated and fully operational. However this will dictate that our costs are prudently kept so as to ensure our financial goals come to fruition. This is roughly reflected in the services description of this plan.

We intend our income structure to match our cost structure, so as to ensure that the salaries we pay to our employees to assure good service are balanced by the cost we charge to the customer.

#### **f. Promotion Strategy**

This strategy will be based primarily on informing potential customers of the existence of our services and making the right information available to our target customers. The intention will be to highlight the benefit of utilizing our service(s), which will include:

- Access to exclusive areas in the Tanzania, mainly national parks and game reserves.
- Service to fully appreciate destinations through information packages, and not just sight-seeing
- Access to special interest travel according to the groups preferences
- Access to quality lodges and camps in and out of the Tanzanian national parks

In such a market we cannot afford to appear in or produce second-rate material with poor labels that make our services look less than they are. Hence we intend to leverage our presence using quality services via tented camps and lodges and other sales literature, including promotional

material such as pens, complimentary slips and pads. We intend to spread the word about our business through the following:

1. **Advertising:** This shall be undertaken through trade and industry publications, which are read by tourists, distributed in key areas nationwide and internationally. A constant look out will be made of any special editions in the local newspapers, which may provide an opportunity for us to advertise our services and business name.

Ona Safari will also be advertised through quality and suitable lodges, camps and tour operator, and other such sales literature, which allow enough detail to be communicated about the services offered by the company. This literature will be mainly targeted at potential clients and placed or made available at strategic points, such as travel agencies. We also intend to utilize billboards to advertise ourselves, likewise located at strategic points. Hence we intend to design and put up posters communicating the services we provide located around hotels, lodges, airports and other such areas where tourists typically pass by. However in doing so we always intend to obtain the consent of the respective authority.

2. **Personal Selling:** Undoubtedly customer solicitation face-to-face will be a powerful form of promotion mainly due to the fact that its flexibility will enable us to match the customer's needs to specific attributes of our services as well as giving concise details of what we have to offer. In cases where the opportunity of obtaining a large reservation exists it may be necessary for the top management to go out personally to assert confidence in the brand.
3. **Direct Marketing:** This will be used but only to a limited extent in the form of telemarketing and informing potential customers and obtaining referrals where possible. In the case of telemarketing, it will involve our targeting potential customers of our services and informing them of our existence and destinations. We may then arrange for an appointment with the respective decision-maker, with the intention being to lure them into utilizing of our services.

4. **Events:** These are increasingly becoming important as more firms establish in the country and hence the need to be known. The company aims to promote itself through attending trade shows and expositions. Not only will these increase awareness of our services and business name, but also enable us to interact with potential clients who may decide to utilize our service.
  
5. **Internet Marketing:** The increasing growth of the Internet as an information source provides an opportunity for ourselves that we may exploit. This is particularly so in view of the increasing dissemination of information over the World Wide Web, as individuals and groups look at obtaining the best deal possible. More often than not these individuals and groups seek out information over the Internet due to its relatively low cost and ease of use helping to minimize time wasting. However this will require adequate planning so as to ensure that all information on the website is accurate and up-to-date, ensuring we market a professional image. This will mainly serve foreign tourists and other interested stakeholders.

In all the above we intend to communicate our ability to deliver a good service that will satisfy the customers needs. Hence our messages will influence the engagement decision of prospective customers by emphasizing our customer focus and, persuade prospective clients that we are different from our competitors. All the above promotional tools shall be well integrated and utilized in tandem so as to maximize their effect.

#### **g. Positioning statement**

Ona Safari intends to offer a unique service to all of its customers, primarily travelers, so as to position itself as the premier travel provider in Tanzania. This shall be undertaken through provision of affordable, comfortable and luxurious lodges and camps as well as informative insights about the various sights and areas. These excursions will be tailored to the individuals'/groups' interests and thus providing enjoyment and satisfaction. Our competitive advantage shall be our customer orientation and friendly staff who shall go at lengths to ensure the customer is served and fully satisfied.

Through our reasonable charges and satisfying excursions we intend to attract a large portion of the market, both directly and indirectly. Hence all promotional material and campaigns shall be directed to fulfilling our intended positioning on the market.

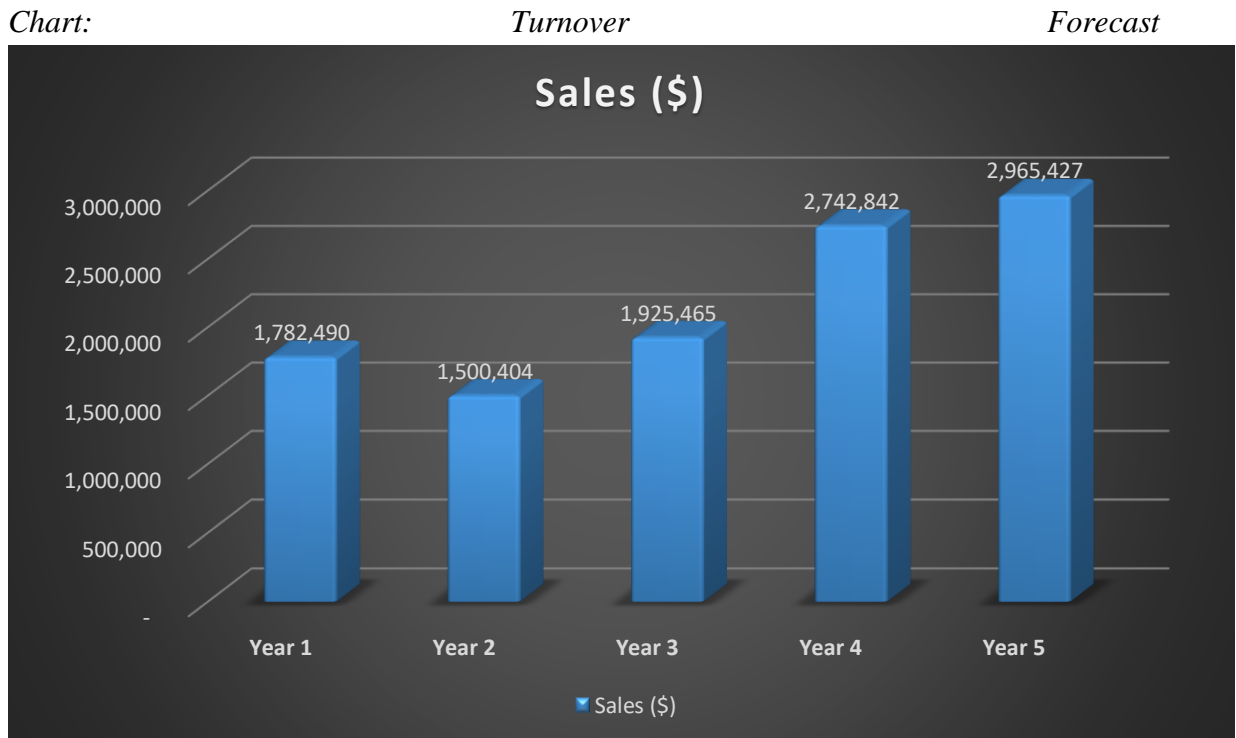
## 18. SALES STRATEGY

For the short term at least, the selling process will depend on personal selling/networking and advertising to lure and inform potential customers about the services we offer and the benefits of utilizing our services. Our marketing does not intend to affect the perception of need as much as knowledge and awareness of the service category.

### a. Sales Forecast

The following chart and table show our projected Turnover Forecast for the next five years.

#### b. Chart:



#### c. Table: Turnover Forecast

<i>Sales Forecast</i>	Year 1	Year 2	Year 3	Year 4	Year 5

Sales					
All tourist services	\$1,782,960	\$1,500,404	\$1,325,465	\$2,274,284	\$2,365,427
Other	\$0	\$0	\$0	\$0	\$0
<b>Total Sales</b>	<b>\$1,782,960</b>	<b>\$1,500,404</b>	<b>\$1,325,465</b>	<b>\$2,274,284</b>	<b>\$2,365,427</b>

## 19. MANAGEMENT STRUCTURE

The human resources element shall be an essential component in the delivery of the total service. By encouraging all employees to handle customers well, and by having enthusiastic, capable and empowered people interacting with our customers, we intend to build the competitive advantage of being able to comprehensively meet our customers' needs. There will be need to evaluate jobs and remuneration packages against market benchmarks to employees for their agreed and set out tasks so as to ensure they are competitive. These principles extend to accident, medical, death and welfare benefits.

## 20. ORGANISATIONAL STRUCTURE

Ona Safari shall be managed primarily by working owners/partners. The company will engage more of a functional organization structure whereby people shall be focusing on their prime area of expertise. However in engaging this organization structure we intend to ensure that there is open communication between all personnel at all levels. With such a group we believe it will be simple to communicate with and support one another. Our organizational structure demonstrates the importance we shall put on our customers, and ensuring their satisfaction in utilizing our services.

As the company grows there will be more structure to the utilizing, with new employees being assigned a supervisor or subordinate. When the company is at its full staff potential, it will operate as any closely held utilizing company, but maintain the personal interest in each employee's personal and family welfare and their contributions to the business.

We acknowledge the fact that successful recruiting, motivation, and discipline procedures are keys to the growth of the utilizing. Hence we intend to promote and maintain good labour relations, strong morale and high quality work per employee.

## **21. MANAGEMENT TEAM**

The founders of Ona Safari are passionate about the activities it will promote and offer on the market. Management style will reflect the participation of the directors/shareholders. The company intends to respect its community and treat all employees well. We will develop and nurture the company as a community. However, we realize that we are not all fully conversant in tourism and as such intend to engage experienced staff as well as undergo a training course from a reputable institution.

The Managing Director's experience in the tourist industry and government relations will assist in the establishment of good networks. However acknowledging the importance of continuous training and improvement the Management intends to undergo a course in Travel and Tourism so as to be fully conversant in the field, as well as obtain knowledge of the latest developments in the industry.

## **22. PERSONNEL PLAN**

The detailed monthly personnel plan for the first year is included in the appendix. The annual personnel estimates are included here. We believe this plan is a good compromise between fairness and expedience, and meets the commitments of our mission and business objectives.

We intend to compensate our personnel well, so as to retain their invaluable expertise and to ensure job satisfaction and enrichment through delegation of authority. Our compensation will include health care, generous profit sharing, plus a minimum of three weeks vacation. Miracle Experience recognizes that our employees contribute fundamentally to the company's long-term prosperity, acknowledging our obligation to remunerate them competitively. We intend to enhance our capacity to attract and retain people of quality through competitive remuneration packages.

Table: Personnel Payroll Projection (Yearly)

<i>Personnel Plan</i>	
	<b>TSHS</b>
MD	30,000,000
HR & Admin	12,000,000
PA	6,000,000
Accountant	6,000,000
Ops Manager	24,000,000
Drivers	6,000,000
Sales Exec	6,000,000
<b>Total Payroll</b>	<b>90,000,000</b>
Equivalent to:	<b>\$36,000</b>

### 23. TRAININGS

In-house training shall be continuous so that we are continuously up-to-date in meeting customer requirements. With time we also intend to undertake regular external training particularly following any new developments in the market. This will ensure we are implementing the latest techniques and are aware of customer's expectations. By setting our standards against industry benchmarks we will be able to ensure a regular flow of customers as they are continually referred to us.

Internal training will not only include service and technical aspects, but also expand to give much greater knowledge of customers, market trends, services, new technology aids, time management amongst other such variables. Marketing sessions in particular will be a regular occurrence, as this will ensure that our personnel continuously portray a positive image of the business, assisting in bringing in more business.

### 24. FINANCIAL PLAN

The financial plan shall be essential if we are to meet our objectives. The intention is to finance growth through cash flow and equity.

One of the most important factors will be the payment terms as agreed between the client or customer. We intend to have a pre-paid system of booking. Therefore there is need to develop a permanent system of receivables financing systems mutually agreed between both parties. Hence in the financial plan we intend to have the following:

1. A fundamental respect for giving our customers value, and for maintaining a healthy and congenial workplace.
2. Cash flow as first priority, growth second, profits third.
3. Respect for realistic forecasts, and conservative cash flow and financial management.

## **25. IMPORTANT ASSUMPTIONS**

The financial plan depends on important assumptions. From the beginning, we recognize that payment terms and hence collection is critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions.

Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- Taxation – It is assumed that the corporate tax rate of 30% will prevail throughout the projected period;
- Whereas staff cost is projected to increase by an average of 13% annually to cover for cost of living adjustment (COLA), administration and Sales & Distribution costs are projected be averaged to 5% respectively;
- The table below is also based on the assumptions that the company will be able to accommodate 60% of tourist or more. The projections in the appendix reflects the assumptions which have formed this tabularized assumption below.

**Table: General Assumptions**

<i>General Assumptions</i>	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%
<b>Other</b>	0	0	0

### 23. KEY FINANCIAL INDICATOR

We foresee a slow initial growth in sales, as we strive to ensure we are known on the market, though operating expenses will be relatively high, and a bump in our sales and revenue generation as we spread our services during expansion.

Chart: Benchmarks



### 24. PROJECTED PROFIT AND LOSS

Our projected profit and loss is shown in the table below, with sales increasing from more than \$782,490 in the first year to more than \$800,404 in the second and \$948,820 in the third year. Our net profit margin is relatively good for a start-up organization in our line of business. Hence we do expect to more than break-even in the first year of operation.

As with the break-even, we are projecting very conservatively regarding cost of sales and gross margin. Our cost of sales may be much lower, and gross margin higher, than in this projection. We prefer to project conservatively so that we make sure we have enough cash. The detailed projections are included in the appendix.

Based on the unpredictable seasonal nature of the industry, an assessment is done yearly so as to get a clearer picture on the profitable analysis.

Chart: Gross Margin



Chart: Profit



Table: Profit and Loss

<b>INCOME STATEMENT</b>						
<b>Income</b>		FY 1	FY 2	FY 3	FY 4	FY 5
	Bookings	1,782,960	1,500,404	1,325,465	2,274,284	2,365,427
	Other Revenues					
	Charters	0	0	0	0	0
	campsite	0	0	0	0	0
	<b>TOTAL REVENUES</b>	<b>1,782,960</b>	<b>1,500,404</b>	<b>1,325,465</b>	<b>2,274,284</b>	<b>2,365,427</b>
	<b>Cost of Operations</b>					
	Direct Operations cost	785,000,	661,000	583,204	1,000,685	1,040,788
	<b>Gross Profit</b>	<b>997,960</b>	<b>839,401</b>	<b>942,261</b>	<b>1,273,599</b>	<b>1,324,639</b>
	<b>Other Operating Expenses</b>					

44%

Rent	24,000	27,600	31,740	36,501	41,976.15
Furniture and Fixtures	-	-	-	-	-
Training	24,000	27,600	31,740	36,501	41,976.15
Security	12,000	13,800	15,870	18,251	20,988.08
Utility	12,000	13,800	15,870	18,251	20,988.08
Travels	30,000	34,500	39,675	45,626	52,470.19
Stationeries	6,000	6,900	7,935	9,125	10,494.04
Marketing	8,000	9,200	10,580	12,167	13,992.05
Oversight	-	-	-	-	-
Professional Fees	-	-	-	-	-
<b>Pay cost</b>					
Salaries	46,000	54,806	56,311	73,941	83,753
<b>Financing Cost</b>					
Loan Interest	32,571	10,514	4,912	5,194	4,421
Bank Charges	13,915	17,502	11,627	16,371	11,827
Depreciations	198,703	103,700	103,700	107,100	198,100
<b>Total Expenses:</b>	<b>407,189</b>	<b>319,922</b>	<b>329,960</b>	<b>379,028</b>	<b>500,985.74</b>
<b>Profit Before Tax</b>	590,771	519,479	412,301	894,571	823,653.26
Taxation 30%	177,231	155,843.7	123,690.3	268,371.3	247,096
<b>Net Profit</b>	<b>413,540</b>	<b>363,635.3</b>	<b>488,610.7</b>	<b>626,199.7</b>	<b>823,653.26</b>
<b>NPV</b>	<b>2,071,638.96</b>				

#### 7.4 Break-even Analysis

Our break-even analysis will be based on running costs, that is costs we shall incur in keeping the business running, including salaries and wages, rent, building materials and other maintenance

costs, water and electricity, insurance amongst others. Hence many fixed costs shall be included in these costs. We will thus ensure that our sales levels are running comfortably above break-even.

Chart: Break-even Analysis

Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$18,656
Assumptions:	
Average Percent Variable Cost	20%
<b>Estimated Monthly Fixed Cost</b>	<b>\$14,925</b>

### 7.5 Projected Cash Flow

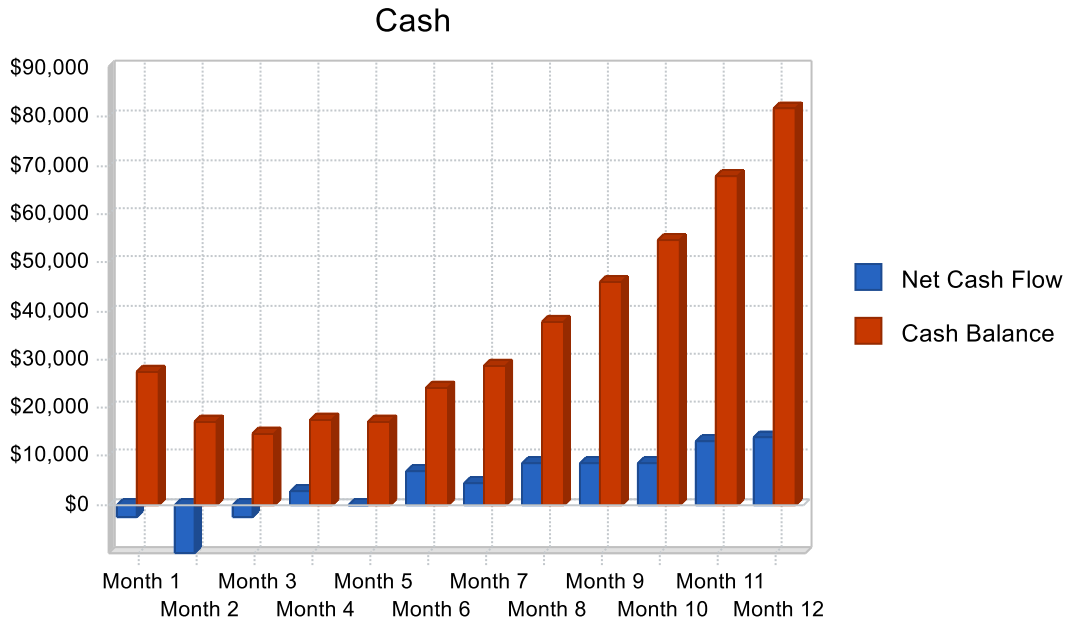
The following chart and table highlights the projected Cash Flow statement for Miracle Experience.

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$175,000	\$278,250	\$315,000
Cash from Receivables	\$133,700	\$253,883	\$306,327
Subtotal Cash from Operations	\$308,700	\$532,133	\$621,327
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$308,700	\$532,133	\$621,327
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$112,800	\$266,400	\$289,200
Bill Payments	\$144,204	\$200,926	\$215,082
Subtotal Spent on Operations	\$257,004	\$467,326	\$504,282
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0

Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$257,004	\$467,326	\$504,282
Net Cash Flow	\$51,696	\$64,807	\$117,045
<b>Cash Balance</b>	<b>\$81,696</b>	<b>\$146,503</b>	<b>\$263,548</b>

Chart: Cash



## 7.6 Projected Balance Sheet

The table below outlines the company's Balance Sheet.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>			
	Year 1	Year 2	Year 3
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$81,696	\$146,503	\$263,548
Accounts Receivable	\$41,300	\$65,667	\$74,340
Inventory	\$9,240	\$16,222	\$13,075
Other Current Assets	\$0	\$0	\$0
<b>Total Current Assets</b>	<b>\$132,236</b>	<b>\$228,392</b>	<b>\$350,963</b>
<b>Long-term Assets</b>			
Long-term Assets	\$167,000	\$167,000	\$167,000
Accumulated Depreciation	\$0	\$0	\$0
<b>Total Long-term Assets</b>	<b>\$167,000</b>	<b>\$167,000</b>	<b>\$167,000</b>
<b>Total Assets</b>	<b>\$299,236</b>	<b>\$395,392</b>	<b>\$517,963</b>
<b>Liabilities and Capital</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Current Liabilities</b>			
Accounts Payable	\$18,134	\$16,369	\$17,795
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
<b>Subtotal Current Liabilities</b>	<b>\$18,134</b>	<b>\$16,369</b>	<b>\$17,795</b>
<b>Long-term Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$18,134</b>	<b>\$16,369</b>	<b>\$17,795</b>
<b>Paid-in Capital</b>	<b>\$202,000</b>	<b>\$202,000</b>	<b>\$202,000</b>
Retained Earnings	(\$5,000)	\$79,101	\$177,022
Earnings	\$84,101	\$97,921	\$121,146
<b>Total Capital</b>	<b>\$281,101</b>	<b>\$379,022</b>	<b>\$500,168</b>
<b>Total Liabilities and Capital</b>	<b>\$299,236</b>	<b>\$395,392</b>	<b>\$517,963</b>
<b>Net Worth</b>	<b>\$281,101</b>	<b>\$379,022</b>	<b>\$500,168</b>

Chart: Break-even Analysis

## 25. CONTROLS

The local tourism industry has been growing rapidly over the last decade due to increases in the number of people seeking holidays in the country. With this in mind we intend our marketing programs to expand accordingly. The introduction of good tented camps and lodges together with tour operators and other sales literature will enable Ona Safari to market to potential customers. We project sales to increase accordingly, though slightly slower as we establish a reputation for

ourselves. With time, we intend to be at the forefront of customers' minds with regards to travel excursions.

Throughout the year we intend to undertake regular evaluations of our marketing programs so as to ensure that we are in line with our intended objectives. In summary we intend to undertake the following:

1. **Tracking and follow-up:** We intend to have the discipline, as a company, to track results of the business plan and make sure that we implement it.
2. **Market segment focus:** We intend to have the discipline to maintain the market segment focus.
3. **Customer Follow-up:** We intend to have the discipline as a company to constantly follow-up on customers so as to ensure that we are meeting their expectations at all times.

## **26. RISK MANAGEMENT**

As with any business venture, there are inherent risks involved in operating a tour operator company. Ona Safari will implement risk management strategies to mitigate potential risks such as economic downturns, natural disasters, political instability, or changes in travels regulations. This will include diversifying tour offerings, together with those of lodges and camps, maintaining adequate insurance coverage, and closely monitoring external factors that may impact business.

## **27. CONCLUSION**

Ona Safari is poised to become a leading tour operator company by offering unique, quality and sustainable travel experiences, accommodation via nice built tented camps and lodges to its target market. By focusing on customer satisfaction, leveraging technology, and implementing effective marketing strategies, the company aims to achieve steady growth and profitability in the high competitive tour operator industry.