

CRJE (EAST AFRICA) LIMITED

BUSINESS PLAN

FOR

ESTABLISHING A PROJECT FOR CONSTRUCTION, SALE AND LEASE

OF SERVICED OFFICE SPACES

AT UHURU HEIGHTS, DAR ES SALAAM CBD

1. EXECUTIVE SUMMARY

CRJE (EAST AFRICA) LIMITED is a licensed and registered real estate company. We have been able to secure a standard and well positioned real estate activities in Tanzania.

We intend to focus now on the construction, sale and lease of serviced office spaces to compete in this fast growing industry not only in Dar es Salaam but also throughout the Tanzania because we intend opening our shared office facilities in key cities across the Tanzania.

We will run a standard shared office facility for entrepreneurs and investors who may not want to shoulder the responsibilities of owning an office facility. Our business goal is to become one of the leading shared office space rental operators in the Tanzania and we will make sure that we do all we can to compete favorably in the industry.

The focus of our business is, our client's best interest will always come first, and everything we do will be guided by our values and professional ethics. We will ensure that we hold ourselves accountable to the highest standards by meeting our client's needs precisely and completely.

2. OUR PRODUCTS AND SERVICES

The company engage in this business with the aim of maximizing profits in the serviced office selling and leasing industry as a shared office space operator. We want to compete favorably with the leading shared office space operators in Tanzania that is why we have put in place a competent team that will ensure that our facility meets and even surpasses our customers' expectations.

We will work hard to ensure that the company is not just accepted in Dar es Salaam, but also in other cities in Tanzania where we intend opening chains of our facilities.

Our facility and services are listed below;

- Lease or sale fully furnished workspaces
- Lease or sale virtual offices
- Lease or sale conference and meeting rooms
- Provide telecommunication services to leases
- Provide other business services to leases



3. OUR MISSION AND VISION STATEMENT

Our vision is to be the standard-bearer in any city where we have our shared office space throughout the Tanzania.

Our mission is to provide a standard and well – equipped shared office space that can attract entrepreneurs and business people who may not want to shoulder the responsibilities of owning a standard office facility.

We want to build a shared office space brand that can favorably compete with other leading brands in the serviced office selling and leasing industry in Tanzania.

4. OUR BUSINESS STRUCTURE

The company intends starting small in Dar es Salaam CBD at **Uhuru Heights** in the **Fourth and Seventh Floor**, but hopes to grow big in order to compete favorably with leading operators in the industry in Tanzania. We are aware of the importance of building a solid business structure that can support the kind of world-class business cum brand we want to own.

This is why we are committed to only hire the best hands within our area of operation. we will ensure that we hire people that are qualified, hardworking, creative, customer centric and are ready to work to help us build a prosperous business that will benefit all our stake holders.

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more as agreed by the board of Directors of the company. In view of the above, we have decided to hire qualified and competent hands to occupy the following positions;

- Chief Executive Officer
- General Manager
- Human Resources and Admin Manager
- Sales and Marketing Executive
- Accountant
- Facility Manager
- Client Service Executive

Job Roles and Responsibilities

Chief Executive Officer (CEO):

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results
- Creating, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- Responsible for signing checks and documents on behalf of the company

- Evaluates the success of the organization
- Reports to the board

General Manager:

- Serve as project manager of the organization; works directly with employees
- Develops strategic plan by studying the trends in the serviced office leasing industry and financial opportunities; presenting assumptions; recommending objectives.
- Builds company image by collaborating with customers, government, community organizations, and employees
- Maintains quality service by establishing and enforcing organizational standards.

Human Resources and Admin Manager

- Regularly hold meetings with key stakeholders to review the effectiveness of HR Policies, Procedures and Processes
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defining job positions for recruitment and managing interviewing process
- Carrying out induction for new team members
- Responsible for training, evaluation and assessment of employees
- Responsible for arranging travel, meetings and appointments
- Oversee the smooth running of the daily office activities.

Sales and Marketing Manager

- Manage external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Model demographic information and analyze the volumes of transactional data generated by customer
- Identifies development opportunities; follows up on development leads and contacts
- Writing winning proposal documents, negotiate fees and rates in line with organizations' policy
- Responsible for handling business research, market surveys and feasibility studies for clients
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients

- Develop, execute and evaluate new plans for expansion and ensuring that all our shared office spaces are rented out/occupied all through the year
- Create new markets cum businesses for the organization
- Empower and motivates the sales team to meet and surpass agreed targets

Accountant/Cashier:

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting for one or more properties.
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the organization

Facility Manager

- Responsible for making sure that building (shared office space) and our services meet the needs of the people that work in them.
- Overseeing and agreeing contracts for services including security, parking, cleaning, catering, technology and so on
- Supervising multi-disciplinary teams of staff including cleaning, maintenance, grounds and security
- Ensuring that basic facilities such as water and heating, are well-maintained
- Allocating and managing space between buildings
- Ensuring that facilities meet government regulations and environmental, health and security standards
- Advising businesses on increasing energy efficiency and cost-effectiveness
- Overseeing building projects, renovations or refurbishments
- In charge of services such as cleaning, security and parking, to make sure the surrounding environment is in a suitable condition to work

Client Service Executive

- Welcomes clients and potential clients by greeting them in person or on the telephone; answering or directing inquiries.
- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services
- Consistently stays abreast of any new information on the organizations' promotional campaigns etc. to ensure accurate and helpful information is supplied to clients when they make enquiries
- Responsible for receiving and distribution of mails, bills etc.

5. SWOT ANALYSIS

The company engaged the services of a core professional in the area of business consulting and structuring to assist our organization in building a well-structured shared office space business that can favorably compete in the industry.

Part of what the team of business consultant did was to work with the management of our organization in conducting a comprehensive SWOT analysis for the company. Here is a summary from the result of the SWOT analysis that was conducted on behalf of the company;

- **Strength:**

Our well-equipped and well -located shared office facility is indeed a plus to the business. Bibi Titi Mohamed Road where Uhuru Heights building is located is arguably the most famous address in Dar es Salaam CBD. Another positive hat we have going for us is the fact that we have a well – balanced team running the business.

- **Weakness:**

Part of what may likely hinder us from optimizing our potentials in this business is the ability to raise within short notice, the required capital in the acquisition of choice properties that can indeed attract high – paying clients who are willing to pay more than the average for a shared office space.

- **Opportunities:**

In this age and time where entrepreneurs are looking for means to cut down startup expenses, a shared office space facility comes in handy. The rising popularity of shared office spaces is driving industry growth and influencing workplace transformations. The fact that there are increasing number of people embracing entrepreneurship means that there are great opportunities for us.

- **Threat:**

A major threat to our business is the rise of the concept of virtual office. Aside from the fact that it is cheaper, most virtual office rental businesses tend to get involved in providing communication and physical address services without bearing the financial burden to maintain the office facility for corporate organizations and businesses.

6. MARKET ANALYSIS

- **Market Trends**

A major trend shows that workplace transformations use tech and design to maximize office space and increase productivity, providing for cost-savings from a bottom-up perspective. On the smallest scale, coworking spaces are designed to reduce the square footage a company needs per employee.

Technology makes offices less necessary for some workers, leading to shared office spaces in some companies to maximize wasted desks. Younger workers are also demanding more creative, healthy office environments with every added convenience.

A recent trend shows that some operators in the industry are scaling the coworking model to fit the operational and cultural needs of service-based industries. The incentives of workplace transformations are twofold. The first is cost-effectiveness while the second, less tangible yet arguably more impactful incentive is the commoditization of modern workplace culture as characterized by Silicon Valley startups.

Even though cost-savings have long-been the most obvious incentive of shared office spaces, the perk of enabling large corporations to rebrand themselves in a piecemeal way is turning heads among Fortune 500 companies operating in the most traditional of industries.

Long term, the cost-efficiency of workplace transformations will likely remain the primary incentive. Reducing square footage per employee while maintaining or even boosting employee satisfaction is a win-win, no matter the industry. However, the cultural incentives of workplace transformations will continue to expand and evolve with the business environment itself.

- **Our Target Market**

Before starting our shared office space rental/sale business in Uhuru Heights, we conducted a thorough market survey and feasibility studies and we are certain that there are loads of budding entrepreneurs, established entrepreneurs and businesses who need small office spaces.

The company will work towards providing services, facilities and environment that will help us reach out to our target market. In view of that, we have created strategies that will enable us reach out to various groups of people who we know will need our facilities.

surviving in the business world as a shared office space rental company operator requires more than just owning standard facilities (office spaces) but also how to network with entrepreneurs that can rent your office spaces. Because of the growing competition in this line of business, there is an increasing degree of related business activities, with big players dominating the market.

Our competitive advantage is anchored on the state of the art office space facility that we have, and of course the availability of the needed technology and services that an ideal shared office space should have. So also, we have a team of certified, creative and highly trained and experience workers.

Aside from the synergy that exists in our carefully selected workforce, our services will be guided by international best practices in the industry. Another strength that counts for us in the locations of our shared office space; they are located in one of the most must busiest places that is highly suitable for such business.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and objectives.

7. SALES AND MARKETING STRATEGY

Our marketing strategies will be directed towards achieving specific objectives that support the strategic goals of the organization. The truth is that all that we do will be geared towards creating new market channels, increasing sales (occupancy of our shared office spaces) and our market share.

We will leverage on improving on our services, turnaround time and facility to ensure that we win new clients and retain old ones as well. Our unique selling proposition is that we are well positioned, we offer state of the art facility and people can easily access our facility.

Our sales and marketing team will be recruited based on their vast experience in the industry and they will be trained on a regular basis so as to be well equipped to meet their targets. The company is set to make use of the following marketing and sales strategies to attract clients;

- Advertise our shared office space business on national dailies, local TV station and local radio stations
- Promote our shared office space facilities online via our official website and all available social media platforms

- Introduce our business (shared office spaces) by sending introductory letters alongside our brochure to budding entrepreneurs, established entrepreneurs and key stake holders in Dar es Salaam CBD.
- Print out fliers and business cards and strategically drop them in offices, sport facilities, libraries, public facilities et al.
- Making our first impression count positively to those that patronize our facility for the first time
- Make use of attractive hand bills to create awareness and also to give direction to our facility
- Adopt direct mailing coupon marketing approach
- Position our signage / flexi banners at strategic places in and around Dar es Salaam.
- Create a loyalty plan that will enable us reward our consistent clients especially those that introduces their friends, associates and family members to the business.
- Engage on roadshows within our neighborhood to create awareness for our shared office space facility.

Sources of Income

The company is engaging in the business with the aim of maximizing profits in the serviced office leasing industry and we are going to go ensure that we do all it takes to meet and surpass the expectations of all our clients.

The company will generate income by offering the following facility and services;

- Lease or rent fully furnished workspaces
- Lease or rent virtual offices
- Lease or rent conference and meeting rooms

10. SALES FORECAST

One thing is certain, there would always be business owners who would need to cut cost of starting the business hence the need to rent a small office space in a shared office facility.

We are well positioned to take on the available market in the shared office leasing industry in Dar es Salaam CBD, and we are quite optimistic that we will meet our set target of generating enough income/profits from the first six months of operation and grow our shared office space business to enviable heights.

We have been able to examine the shared office leasing market, we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. Below are the sales projections for the company. It is based on the location of our shared office facility and of course our target market;

First Fiscal Year (FY1): \$1 million

Second Fiscal Year (FY2): \$1.5 million

Third Fiscal Year (FY3): \$2 million

N.B: This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same facility, amenities and services as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

11. OUR PRICING STRATEGY

Our pricing system is going to be based on what is obtainable in the industry, we don't intend to charge more and we don't intend to charge less than what our competitors are charging their clients in Dar es Salaam CBD.

Payment Options

The payment policy adopted by the company is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the United Republic of Tanzania.

Here are the payment options that the company will make available to her clients;

- Payment via bank transfer
- Payment via online bank transfer
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our clients make payment for renting our shared office facility without any stress on their part.

12. STARTUP EXPENDITURE (BUDGET)

When it comes to calculating the cost of starting a shared office space rental business, there are some key factors that should serve as a guide. The number of facilities needed to kick start the business and the size and location of the facility determines the total cost of setting up the business.

Below are some of the basic areas we will spend our startup capital in setting up our shared office space rental facility business;

- Total cost of purchasing two units \$1,091,500.

- The total cost for facility remodeling to fit into the type of shared office space facility – \$25,000
- Other start-up expenses including stationery – \$1000
- The cost for the purchase of furniture and gadgets (Computers, Printers, Telephone, TVs, tables and chairs et al) – \$10,000.
- Miscellaneous – \$5,000

13. SUSTAINABILITY AND EXPANSION STRATEGY

The future of a business lies in the number of loyal customers that they have, the capacity and competence of their employees, their investment strategy and business structure. If all of these factors are missing from a business (company), then it will not be too long before the business closes shop.

One of our major goals of starting this project is to build a business that will survive off its own cash flow without injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to lease/rent our well – furnished and well – equipped shared office space facility a little bit cheaper than what is obtainable in the market and we are prepared to survive on lower profit margin for a while.

The company will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company’s corporate culture is designed to drive our business to greater heights and training and retraining of our workforce is at the top burner.

We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

Showing the cash flows and financial projection for CRJE (EAST AFRICA) LIMITED-

(Note: The Revenue line represents Earnings Before Interest, Tax, Depreciation and Amortization Cashflow)

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Inflows					
Equity	1,132,500				
Revenue (EBITDA)	13,500,000	18,000,000	22,500,000	27,000,000	31,500,000

Total Cash Inflows	15,040,000	18,000,000	22,500,000	27,000,000	31,500,000
Cash Outflows					
Direct Materials	2,500,000	3,000,000	4,500,000	6,000,000	7,500,000
Direct Labour	1,000,000	2,000,000	3,000,000	4,000,000	5,000,000
Expenses overheads	4,000,000	5,000,000	6,000,000	7,000,000	8,000,000
Depreciation	-				
Total Cash Out Flows	7,500,000	10,000,000	13,000,000	17,000,000	21,500,000
Net Cash Flows	6,000,000	8,000,000	9,500,000	10,000,000	10,000,000
Cum.(Deficit)/Excess cash flows	6,000,000	14,000,000	23,500,000	34,500,000	35,500,000

APPENDIX: I

CRJE (EAST AFRICA) LIMITED INVESTMENT COST

ITEM	USD \$
Building	1,091,500
Furniture and Gadgets	10,000
Pre-Operational Expenses	1000
Miscellaneous	5000
Sub total	1,107,500
Initial working capital	25,000
GRAND TOTAL	1,132,500