

**EZI GROUP LIMITED**

**Business Plan**

**for**

**Operating and Managing**

**of**

**Tourist restaurant**

## 1.0 Executive Summary

EZI GROUP LIMITED is a company incorporated in Tanzania with Certificate of Registration No.153771529 issued on 13th October 2021 the company is determined to become a daily necessity for tourists a place to dream of as you try to escape the daily stresses of life and just a comfortable place to have a meal and drinks in the Dar es Salaam city where a large number of people meet.

The owner of the business developed an interest to operate such tourist restaurant business in Tanzania as part of his business investment. He intends to start with **one** branch at **Plot No.970 Haile Selassie Road, Masaki, Kinondoni Dar es Salaam, Tanzania**, and will employ 15 staff at the beginning later on the company plan to construct tourist lodge spread in all major city in Tanzania before starting opening branches in other East African countries such as Kenya, Uganda, South Sudan, Rwanda, and Burundi.

The uniqueness of this business is that the tourist restaurant will operate in a modern way take away in that busy people in a rush can pass by the tourist restaurant and take hot food and drinks with them accompanied by a snack

of their choice and continue with their business, there shall be qualified staffs to provide services.

EZI GROUP LIMITED through a Tourist restaurant will offer its customers the best Tanzanian prepared food, Chinese, Indian, continental, etc. in the area that will be complimented with snacks, the company does not intend to start a tourist restaurant business like the usual restaurant business around the street corner; the company intention of starting a tourist restaurant business is to build a standard and one-stop drive through tourist restaurant in Dar es salaam with outlets in other key cities in Tanzania and all over East Africa.

Although the tourist restaurant business might not be as big as KFC or MacDonald, we will ensure that we put the right structure in place that will support the kind of growth we have in mind while setting up the business.

The company will ensure that we hire people that are qualified, honest, customer-centric, and ready to work to help the project build a prosperous business that will benefit all the stakeholders (the owners, workforce, and customers). As a matter of fact, a 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 ten years or more.

## **2.0 Project Location**

EZI GROUP LIMITED restaurant is a business that will be located in one of the upper-class areas in Dar es salaam – The Company has been able to secure a long-term lease at **Plot No.970 Haile Selassie Road, Masaki, Kinondoni Dar es Salaam, Tanzania**. The plan is to spread across the East Africa Region, Restaurant will be strategically positioned in key areas. like,

## **2.1 Objectives**

EZI GROUP LIMITED's objectives for the first year of operations are:

- Become selected as the "Best New tourist restaurant in the area" by the local restaurant guide.
- Turn in profits from the first month of operations.
- Maintain a 65% gross margin.

## **2.2 Keys to Success**

The keys to success will be:

- Store design that will be both visually attractive to customers and designed for fast and efficient operations.
- Employee training to insure the best food preparation techniques.
- Marketing strategies aimed to build a solid base of loyal customers, as well as maximize the sales of high-margin products, such as espresso drinks.

### **2.3 Mission Statement**

The company's mission is to establish a world-class drive-through tourist restaurant business that will make available a wide variety of food and drinks at affordable prices to the residents and nonresidents of Dar es Salaam and other cities in the republic of Tanzania. The company plans to be opening chains of well - branded through Tanzania and other East African countries

The company will make its best effort to create a unique place where customers can socialize with each other in a comfortable and relaxing environment while enjoying the best-prepared food and drinks in town. We will be in the business of helping our customers to relieve their daily stresses by providing piece of mind through great

ambiance, convenient location, friendly customer service, and products of consistently high quality. The company will invest its profits to increase employee satisfaction while providing stable returns to its shareholders.

### **3.0 Company Ownership**

EZI GROUP LIMITED is registered as a Limited Liability Corporation in the United Republic of Tanzania

**EZI GROUP LIMITED** will be sponsoring this project. The Company is owned by 5 investors

Name of Shareholder	% of Shares	Nationality
INDU SHALINI PREMAKUMAR SAILAJAKUMARI	17.52	India
HANIF SALIM HASSANALI	38.67	Tanzania
STEVE MOBILE TECHNOLOGIES PRIVATE LIMITED	25.78	India
CITADEL HOLDINGS LIMITED	12.89	Tanzania
BINOY RAMA SWAMY	5.14	India

### **3.1 Objective of the study**

The purpose of this study is to work out the technical and commercial viability of the project

#### 4.0 Tourism over View

Tanzania is among the few countries in the world endowed with such a vast range of tourist attractions, Tanzania has 13 national parks, 29 game reserves, 40 controlled conservation areas and marine parks that are located in the Northern and Southern parts of the country. More than 25% of the Tanzania's land area of about one million square kilometers covered with magnificent game reserves and national parks. Tanzania is also a home to Mt. Kilimanjaro, The miles long silver sand beaches and the rich historical site of the spicy islands of Zanzibar are yet another attraction that Tanzania is blessed with.

The market survey carried out reveals that the current demand for tourist restaurant in Dar es Salaam is higher than current supply. There is wide gap between supply and demand and therefore, business opportunities exist for setting up additional tourist restaurant facilities to satisfy the market requirements.

Tanzanian official statistics show the number of tourists visiting the country has risen from 1.3 million in 2017 to 1.5 million in 2018. Following the rise, tourist activities

generated 2.4 billion U.S. dollars from 2.3 billion dollars earned in 2017.

The top 15 tourist markets accounted for 71.8 percent of total visitors with the United States of America taking the lead accounting for 15.6 percent, followed by Kenya and the United Kingdom.

The tourism sector recorded 25 percent of earned foreign currency that contributed to 17 percent of the gross domestic product, said the official.

#### 4.1 DAR ES SALAAM OVERVIEW

Dar Es Salaam's 2022 population is now estimated at 7,405,000. In 1950, the population of Dar Es Salaam was 83,844. Dar Es Salaam has grown by 345,242 since 2015, which represents a 5.15% annual change. These population estimates and projections come from the latest revision of the UN World Urbanization Prospects. These estimates represent the Urban agglomeration of Dar Es Salaam, which typically includes Dar Es Salaam's population in addition to adjacent suburban areas.

Dar es Salaam is a city located in Tanzania and was formerly known as Mzizima. It was once the capital city until 1974, when Dodoma was named as the capital. However, today, Dar es Salaam remains the largest city in Tanzania in terms of population. In fact, its population is the largest in all of East Africa. The total population of Dar es Salaam is over 7,405,000.

### City Size and Population Density

The city's land area is 538 square miles (1,393 square kilometers), making the population density 8,100 people per square mile (3,100 per square kilometer).

### Demographics

In terms of ethnicity, the majority of the population is African, with a small percentage that includes European, Asian, and Arab.

### Population Growth

While Dar es Salaam's population doesn't seem that large compared to some of the world's other cities, it is one of the fastest-growing in Africa. In fact, it is the third fastest-growing city in Africa and the ninth fastest-growing in the

world. The city's metro population is expected to grow to over 5 million over the nextDar es Salaam is a city located in Tanzania and was formerly known as Mzizima. It was once the capital city until 1974 when Dodoma was named as the capital. However, today, Dar es Salaam remains the largest city in Tanzania in terms of population. Its population is the largest in all of East Africa.

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## 5.0 Market Analysis Summary

Tanzania is among the countries with tourist attractions in the world, on average the company receives almost 1.3 million tourists per year. Tourist restaurants in Tanzania are still at the infant stage, most of the restaurants provide services below standard in an unfriendly environment and hygiene is questionable which is why the company came up with Tourist restaurants operated in the most hygienic environment.

With a population of a 62million and around 1.3 tourists visiting Tanzania, it is expected that tourist restaurant services will be in higher demand.

## 5.1 Market Segmentation

EZI GROUP LIMITED will focus its marketing activities on reaching

- Tourists
- Event Planners
- Corporate Organizations
- Households
- Schools
- Corporate Executives
- Business People
- Sports Men and Women
- Students

The market research shows that these are the customer groups that are most likely to buy gourmet products. Since gourmet food consumption is universal across different

income categories and mostly depends on the level of higher education.

EZI GROUP LIMITED's marketing strategy will be focused on getting new customers, retaining existing customers, and getting customers to spend more and come back more often. Establishing a loyal customer base is of paramount importance since such a customer core will not only generate most of the sales but also will provide favorable referrals.

### 5.3 Competitive Edge

EZI GROUP LIMITED will position itself as a unique tourist restaurant where its patrons can not only enjoy food and drinks but also value for money and will differentiate EZI GROUP LIMITED from incumbent competitors no stiff completion is expected within 5 years.

### 5.4 Sales Strategy

In order to build up its client base EZI GROUP LIMITED will use banners and fliers, utilize customer referrals, and cross-promotions with other businesses in the community. At the same time, customer retention programs will be

used to make sure the customers are coming back and spending more at the coffee bar

## 5.5 EZI GROUP LIMITED Product Offering

EZI GROUP LIMITED is in the food and drinks industry to make profit and the company will ensure all the way to make available a wide range of services to clients. EZI GROUP LIMITED will ensure that we do all that is permitted by law in republic of Tanzania to achieve our business goal and ambition.

Product and service offerings are listed below;

- Variety of food Chinese, Indian, Asian food in general
- Coffee beverages (cappuccino, espresso, iced coffee, decaffeinated coffee, (Irish Coffee and Brandy Coffee et al), filtered coffee, cold brew coffee, Turkish coffee, coffee with milk, coffee or espresso with whipped cream, and flavored coffee et al.)
- Other beverages
- Snacks

EZI GROUP LIMITED will also be engaged in home delivery when customers want our products to be delivered to them in any location within the city. our outlet will be well secured with the various payment options.

At EZI GROUP LIMITED our client's best interest 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 delivering excellent services and also meeting our client's needs precisely and completely. We will cultivate a working environment that provides a sustainable approach to earning a living.

## 6.0 Management Summary

EZI GROUP LIMITED shareholders both of them with a track record of more than 10 years in managing various businesses. They have extensive business contacts in Tanzania and outside Tanzania that will leverage to help new ventures succeed.

However, because of the investors' other commitments, they will not be involved in the daily management decisions at EZI GROUP LIMITED. A professional manager will be hired

who will oversee all the operations. 35 full-time employees will be employed.

## 6.1 The Sponsors

EZI GROUP LIMITED will be sponsoring this project.

## 6.1 Management Team

A full-time manager will be hired to oversee the daily operations. The candidate from one of the reputable restaurants will be employed he has more than five years of managerial experience in the definite industry. This person's responsibilities will include managing the staff, ordering inventory, dealing with suppliers, developing a marketing strategy, and performing other daily managerial duties. We believe that our candidate has the right experience for this role. A profit-sharing arrangement for the manager may be considered based on the first-year operational results. Total of 35 people to be employed

## 6.2 MONITORING AND EVALUATION

The Management has full commitment to ensuring services provided maintain the safety and standards required in the market. The quality control unit will establish a system of

routine checking and getting feedback from customers, management philosophy is through business process, managers will strive to ensure compliance with standards and the safety of service and customers they serve.

## 7.0 ENVIRONMENT PROTECTION

The company intends to make environment friendly; the company will save the country's environment in the particular and the global environment in general

## 8.0 PROJECT INVESTMENT COST

The estimated capital investment cost of the project is US\$ 505,000.

### EZI GROUP LIMITED COST STRUCTURE

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	80,000.00
Machinery & Equipment	200,000.00
Motor Vehicles	140,000.00
Furniture & Fixtures	15,000.00
Pre exp	10,000.00
Others	30,000.00
Working Capital	30,000.00
<b>TOTAL</b>	<b>505,000.00</b>

For the project to be a reality a total investment amounting to US\$505,000 is needed

## 8.1 FINANCING PATTERN

The project will be financed by equity by 100%; constituting US\$ 505,000

## 8.2 PROJECT OPERATING COSTS

In order to realize its intended objective, the project will have to meet the operating costs budgeted to be 60% OF total revenue.

## 9.0 FINANCIAL ANALYSIS

### 9.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on the experience of the promoters and trends in the industry.

### 9.2 FINANCIAL STATEMENTS:

#### 9.3 Projected Revenue

For projection purposes, it is assumed that the economic life of the project is five years and that revenue from business commences from the first year of operation.

SALES PROJECTED REVENUE LTD

	1	2	3	4	5
Revenue	195,000	210,600	227,448	245,643	265,295

#### 9.4 PROJECTED PROFIT AND LOSS STATEMENT

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after-tax profits grow from. US \$187,530 in the first year to US \$867,080 in the 5 year,

Appendix I

EZI GROUP LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT  
"US \$"

	1	2	3	4	5
Revenue	720,000.00	777,600.00	839,808.00	906,992.64	979,552.05
Operating Expenses	432,000.00	544,320.00	587,865.60	634,894.85	685,686.44
Profit before Depreciation & Interest	288,000.00	233,280.00	251,942.40	272,097.79	293,865.62
Depreciation	20,100.00	20,100.00	20,100.00	20,100.00	20,100.00
Gross Profit	267,900.00	213,180.00	231,842.40	251,997.79	273,765.62
Tax (30%)	80,370.00	63,954.00	69,552.72	75,599.34	82,129.68
Profit After Tax	187,530.00	149,226.00	162,289.68	176,398.45	191,635.93
Accumulated Profit	187,530.00	336,756.00	499,045.68	675,444.13	867,080.07

## 6.5 PROJECTED CASH FLOWS

This is shown in the financial statements. The project has a positive end-of-year cash flow from year 1st, i.e. US\$ 207,630 of operation to the 5th year i.e. US\$ 828,928

Appendix I

### EZI GROUP LIMITED PROJECTED CASH FLOW US\$

	0	1	2	3	4	5
<b>SOURCES:</b>						
Profit before interest and depreciation	0	288,000.00	233,280.00	251,942.40	272,097.79	293,865.62
Equity	505,000.00					
Loan	-					
<b>Total Sources</b>	<b>505,000.00</b>	<b>288,000.00</b>	<b>233,280.00</b>	<b>251,942.40</b>	<b>272,097.79</b>	<b>293,865.62</b>
<b>Applications:</b>						
Capital expenditure	435,000.00	-	-	-	-	-
working Capital & Others	70,000.00	-	-	-	-	-
Cash	0	207,630.00	30,674.00	182,390.00	196,498.00	211,736.00
Tax	-	80,370.00	63,954.00	69,552.72	75,599.34	82,129.68
<b>Subtotal</b>	<b>505,000.00</b>	<b>288,000.00</b>	<b>94,628.00</b>	<b>251,942.72</b>	<b>272,097.34</b>	<b>293,865.68</b>
<b>Total applications</b>	<b>505,000.00</b>	<b>288,000.00</b>	<b>94,628.00</b>	<b>251,942.72</b>	<b>272,097.34</b>	<b>293,865.68</b>
<b>Accumulated cash</b>		<b>207,630.00</b>	<b>238,304.00</b>	<b>420,694.00</b>	<b>617,192.00</b>	<b>828,928.00</b>

## 9.6 PROJECTED BALANCE SHEET

The projected Balance Sheet of the projected is shown in the financial statements under the same heading. Total shareholders' equity increases from US\$ 505,000 in the first year of operation to US \$ 1,372,080 in the 5<sup>th</sup> year.

Appendix III

### EZI GROUP LIMITED PROJECTED BALANCE SHEET US \$

Fixed Assets	0	1	2	3	4	5
Opening balance	-	435,000	414,900	394,800	374,700	361,600
Total Long-term Assets	-	435,000.00	414,900.00	394,800.00	374,700.00	361,600.00
Less depreciation	-	20,100.00	20,100.00	20,100.00	20,100.00	20,100.00
Closing balance	-	414,900.00	394,800.00	374,700.00	354,600.00	341,500.00
Working capital	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00
Accumulated cash	-	207,630.00	238,304.00	420,694.00	617,192.00	828,928.00
Total assets	70,000.00	692,530.00	703,104.00	865,394.00	1,041,792.00	1,240,428.00
Financed by						
Equity	505,000.00	505,000.00	505,000.00	505,000.00	505,000.00	505,000.00
Accumulated Net profit	-	187,530.00	336,756.00	499,045.68	675,444.13	867,080.07
Total equity	505,000.00	692,530.00	841,756.00	1,004,045.68	1,180,444.13	1,372,080.07
Total equity and debts	505,000.00	692,530.00	841,756.00	1,004,045.68	1,180,444.13	1,372,080.07

## 9.7 PROJECTED PAYBACK PERIOD

Total investment is US \$ 505,000 cash accumulation in the third year is US\$ 559,345 which is more than the initial investment of US\$ 54,345 the project payback period is within 3 years,

The project has a relatively short payback period. It is remarkably impressive for a project whose investment is as big as US\$ 505,000 to be recovered within 3 years.

Appendix IV

PAYBACK PERIOD				
Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	187,530.00	20,100.00	207,630.00	207,630.00
2	149,226.00	20,100.00	169,326.00	376,956.00
3	162,289.68	20,100.00	182,389.68	559,345.68
4	176,398.45	20,100.00	196,498.45	755,844.13
5	191,635.93	20,100.00	211,735.93	967,580.06

## 10.0 ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values

- The project is an ideal option for the utilization business opportunities available in the Tanzania market
- The project will create employment for 35 people on a permanent basis.
- It will generate substantial revenue for the government in the form of corporate tax, value-added tax, and pay-as-you-earn.
- The project will have the transfer of knowledge and skills as far as the tourist restaurant industry is concerned

## 11.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once the project has been approved: -

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	March 2023
2	Rehabilitation of premises	Jan-March 2023
4	Furniture and fittings ordering	Jan-April 2023
6	Testing operations	April-May 2023
7	Commercial Operations	June 2023

## 12.0 CONCLUSION AND RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997