

**EBN HUNTING SAFARIS LIMITED**

# **Hunting Safari Business Plan**

## 1.0. EXECUTIVE SUMMARY.

The document has been prepared to serve as a business plan for **EBN HUNTING SAFARIS LIMITED** for the hunting safari project. The Company is duly registered to carry on the business of Tourism Agent under Tourism Act No.11, 2008 License No: 011582 Specific nature of the tourism business to be operated is Hunting **Safaris**

The proposed project is estimated to cost about US\$ 1m. The project sponsors will prove **US\$700,000** of this investment while the rest will be sought from financial resources institutions i.e. **US\$ 300,000**.

## 1.1 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with diverse professional and business backgrounds. The company is owned by 2 shareholders, namely:-

Name	Address	Nationality	Shares %
ERNEST SARONGA MASSAWE	P.O. Box 16532 BABATI	Tanzanian	2.66
Nicolas Francois Sernin Negre	P.O.Box 16532 BABATI	French	2.37
GODFREY BASIL MRAMBA	P.O.Box 16532 BABATI	Tanzania	94.97

## **1.2 LOCATION.**

The project Registered office: Region Manyara, District Babati CBD, Ward Babati, Postal code 27101, Vilima Vitatu, Mdori Village

## **2.0 HUNTING TOURISM OVERVIEW**

Tanzania is Africa's premier trophy-hunting safari destination. It has one of the largest populations of big game in Africa and a greater variety of wildlife than most other countries in the world. It is the place to see the spectacular and seemingly endless herds of wildebeest and zebra followed by large predators: lion, leopard, and hyenas. It ranks first in terms of the lion population and third with regard to the elephant population in the world. Its bird life is unique with over 1,000 species. Its lakes and rivers are bound with fish and its islands and coasts offer some of the best game fishing sites in the world.

Hunting is part of Tanzania's wildlife conservation strategy and a requirement for its long-term survival. Hunting safaris are being organized in hunting blocks located in game reserves, game-controlled areas, wildlife open areas, and wildlife management areas by licensed hunting companies. TAWA is regulating and controls all activities related to hunting.

## **2.1 ANIMALS TO HUNT**

Tanzania offers a variety of huntable games varying from small ungulates to the largest herbivores on the earth. Some of the most common species are Buffalo, Bushpig, Bushbuck, Crocodile, Eland, Elephant, Greater Kudu, Hartebeest, Hippo, Hyena, Impala, Klipspringer, Leopard, Lion, Reedbuck,

Roan, Sable antelope, Serval Cat, Steenbok, Suni, Vervet Monkey, Warthog, Wild Cat, Wildebeest, and Zebra. It further offers a variety of game and water birds.

## **2.2 REGULATIONS**

Safari hunting is regulated by tourist hunting regulations, which is connected with TAWA's conservation strategy. Hunting is controlled by a quota issued annually under a quota allocation advisory committee based on harvest theory, animal populations, and search efforts.

## **2.3 WHEN TO HUNT?**

The hunting season in Tanzania begins from 1st July to 31st December. These are mainly the dry months although some rain may be expected during November and December.

## **2.4 HUNTING COMPANIES**

The Minister responsible for natural resources and tourism allocates hunting blocks in game reserves, game-controlled areas, and wildlife open areas using auction, tendering, or any other modality that is transparent and in line with the principles of good governance. Authorized association allocates hunting blocks found in Wildlife Management Areas. The tenure of hunting block allocation is 10 years for Category I and II and 15 years for Category III hunting blocks. The Authority shall advertise vacant hunting block(s) and invite applications based on the criteria set

## **2.5 HUNTING PERMITS**

Hunting companies apply for hunting permits on behalf of the hunting client at TAWA-designated offices. The application is then reviewed and permits are issued when satisfied that all conditions have been met.

## **2.6 SAFARI PACKAGES**

There are three safari packages set based on the number of days and species to be hunted; Regular (10 Days), Major (14 Days), and Premium (21 Days). In order to meet customer wishes, the regulations offer inter-company hunting permit which allows hunters to move from one hunting block to another belonging to a different hunting company after paying a token fee depending on the package.

## **2.7 BIRD SHOOTING**

Tanzania offers bird/wind shooting safari packages to provide tourists and resident hunters with an unforgettable experience. The bird species most commonly hunted in Tanzania include Sand grouse, Quail, Francolin, Guinea fowl, various species of dove and pigeons, the Egyptian goose, and the Spur-winged goose.

## 2.8 FEES

Tanzania has reviewed the fee structure with a view to making them more affordable and yet very competitive in the region. Some of the fees payable to the government include block, permit, conservation, observer, inter-company, and professional hunter license fee. However, the cost of a hunting safari could vary from one company to the other depending on the level of luxury, distance from the major town, and method of transport used.

## 3.0 WHY TANZANIA

### 3.1 Retained hunting traditions

A safari in Tanzania retains the ambiance and traditions of an old-style East African safari, with tented camps and hunting areas that span vast wilderness regions



### 3.2 Dangerous game

Tanzania is among the top places in Africa to hunt dangerous game such as elephant, buffalo, lion, and leopard



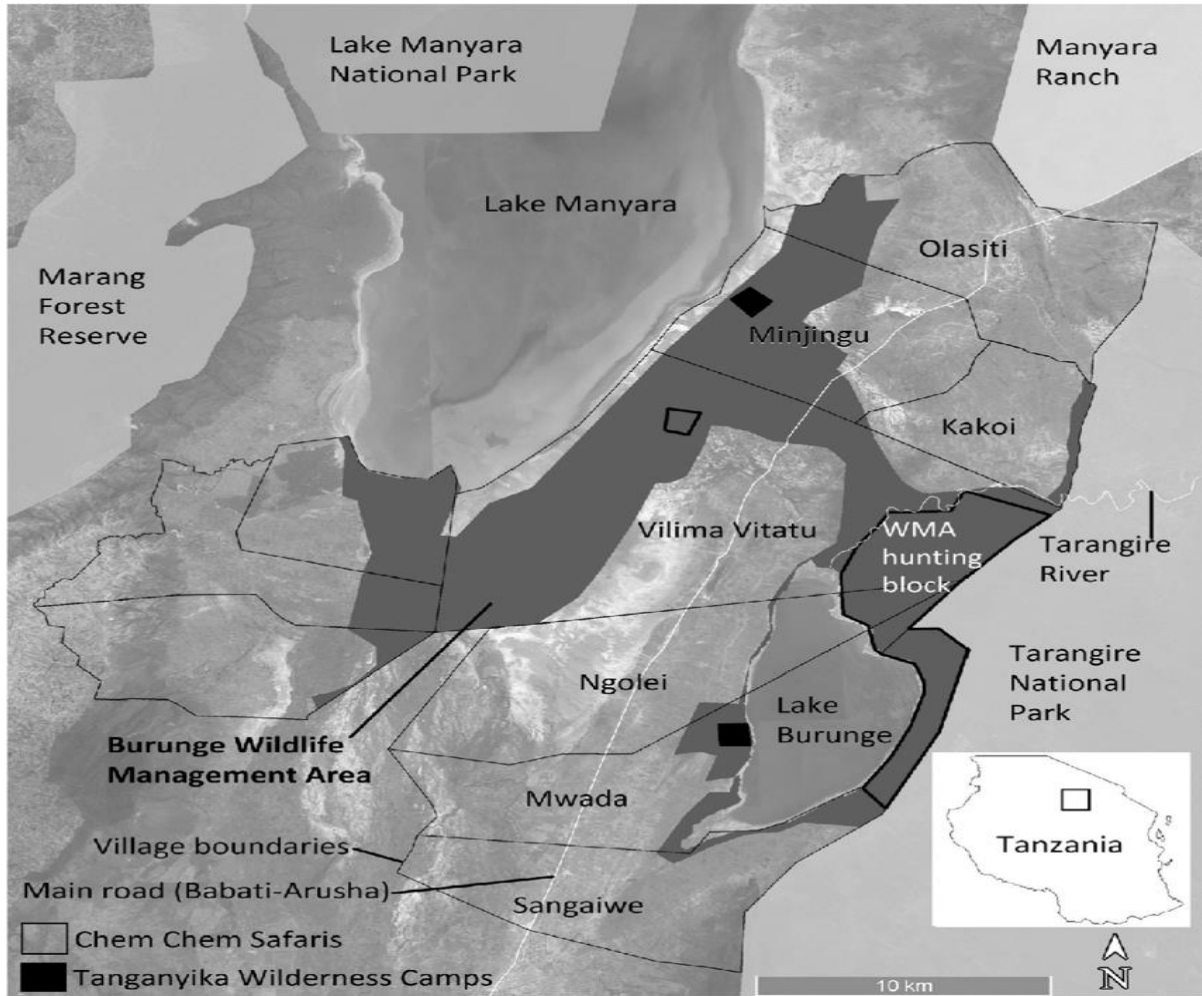
### 3.3 Extensive game list

Tanzania has one of the most extensive game lists in Africa, including many of the continent's most prized plains-game animals



### 4.0 TARGETED MARKETS.

The targeted markets of the project are the tourists who are visiting Tanzania and interested in hunting safaris, the company has a dedicated area of Burunge Wildlife Management Area, spanning village lands between Tarangire and Lake Manyara National



## 5.0 THE PROJECT

This study is based on 30 vehicles. It has been estimated that full scale operations of 20 vehicles are expected to meet at least 4 trips each vehicle monthly, their destinations being Burunge Wildlife Management Area

## 6.0 PROJECT SPONSORS

**EBN HUNTING SAFARIS LIMITED** is owned by three shareholders ,two Tanzanians and one French , shareholders have adequate experience in running such kind of business.

### **COST STRUCTURE AND FINANCING PLAN US \$ 1M.**

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	80,000.00
Vehicles	800,000.00
Plant and Machinery	20,000.00
Furniture & Fittings	2,000.00
Pre exp	5,000.00
Working Capital	93,000.00
<b>TOTAL</b>	<b>1,000,000.00</b>

For the project to be a reality a total investment amounting to US \$1 is needed

## 6.1 FINANCING PATTERN

The project will be financed both by equity and loan. Equity contribution will constitute US\$ 0.7M, 70% while the remaining amount will be in the form of a loan. This loan amount is expected to be the equivalent of US \$0.3M.

The loan will be negotiated and acquired from one of the foreign banks operating in the country.

## 7.0 MANPOWER AND ORGANIZATION STRUCTURE

The project will be managed by a Board of Directors of **EBN HUNTING SAFARIS LIMITED**. The Board, like all other boards, is responsible for the

formulation and supervision of company policies and guidelines. The project's day-to-day operations will be under the supervision of Management under its Managing Director

In order to ensure timely service delivery, Management will provide on-the-job training in the field of motor vehicle maintenance and will provide bonuses and other incentives as a means of instilling and boosting employee work morale.

#### **7.1 ORGANIZATION STRUCTURE**

The project's operations will be managed by the Board of Directors, while the day-to-day activities of the project will be supervised by the Project Manager. He will also be in charge of the financial issues of the project. Under him will be the Administration department and the operations department headed by the Technical Manager total of **30** people to be employed.

#### **8.0 PROJECT OPERATING COSTS**

In order to realize its intended objective the project will have to meet operating cost which is 40% of total revenue i.e. US\$ 288,000 annually

#### **9.0 MARKETING STRATEGY**

In order to penetrate and expand to the targeted markets the company has come up with the following marketing strategy;

- Participation in Tourism exhibitions
- Billboard Advertising
- Advertising through the internet

- Merchandise advertising
- Translating the company website
- Opening up an overseas agent in America & Europe
- Joining membership to various travel and trade associations.

Thus a successful implementation of the outlined plan will yield the desired level or threshold of clients from a worldwide focus.

## **10.0 SERVICES OFFERED BY EBN HUNTING SAFARIS LIMITED**

The company is planning to engage in organizing hunting safaris. The Company will be operating two income-generating activities as under

### **10.1 TOUR OPERATION.**

Under this service provision activity, the company will fully be involved in all aspects of tour operations such as arranging all travel arrangements for clients and reservations, ground handling and transport for clients, lodge-based game safaris,

### **10.2 TOUR AGENCY**

Under this service provision activity, the company will be involved indirectly with the client. Instead of **EBN HUNTING SAFARIS LIMITED** dealing with the go-between parties: the party being an individual organization or a fellow tour agency requesting the company to organize a tour for their client and such services is provided on a commission basis after taking into

consideration the actual cost of organizing the tour. The standard commission rate ranges

From 10 %- 20%

### **10.3. PRICING STRATEGY**

**EBN HUNTING SAFARIS LIMITED** determines the pricing structure for all its products and based on the criteria such as fuel costs, pack entry fees, marketing costs, salaries equipment and etc.

The company intends to offer the best quality services that comply with the price charged as indicated earlier, there is a market segment that has spending power and can afford this pricing. Therefore, this pricing will reflect the targeted market segment in focus.

### **10.4. SALES AND MARKETING COMMUNICATION**

Under the implementation plan, the following sales and marketing communication approaches will be carried out:

#### **Billboard Advertising**

This strategy is drawn mainly to attract the domestic market, numerous billboards will be displayed in strategic locations in order to optimize cleanliness for any public/audience some of the strategic locations under this implementation plan include: airports and the main city roads of Arusha, Moshi, and DSM

## Tourism Exhibitions

The company is planning to be participating every year in the World Travel Market (WTM) exhibitions in the UK, Indaba Travel Exhibitions in South Africa as well as the domestic Karibu Travel & Trade fair in Arusha.

## Marketing through the Internet

Technology has indeed transformed our lives. There are countless tourism-related websites on the internet worldwide that advertise and promote products and services either directly through their web pages or through email marketing. Another option under this plan will be to get the company website listed on major search engines waiting for customers. Search engines have proven to be a valuable and informative tool in the Marketing world.

### 11.0 REVENUE ASSUMPTIONS

The company is expecting to have 20 Vehicles therefore for 4 trips monthly per vehicle resulting in revenue is US \$0,720m for the first year increasing by 10% annually, based on 720 customers charged US\$1000

#### SUMMARY OF REVENUE

	1	2	3	4	5
Revenue	720,000	792,000	871,200	958,320	1,054,152

The revenue estimate assumed here is just a conservative estimate. With the expected improvement of the roads and in general, operations coupled with the drivers gaining experience in tourism businesses, the number of trips per vehicle will be raised. This will have a tremendous impact on the

Company's expenditure and earnings. However, this scenario is not the subject of the current study

## 12.0. FINANCIAL ASPECTS OF THE PROJECT

### 12.1 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 \$ 225,960 in the first year to US \$ 1,463,982 in the 5 year

### 12.2 Projected Cash Flows

The project's cash flows depict a good liquid position right from the first year. Cash accumulation builds up from US \$ **11,160** in the first year to US \$ **989,983** at the end of 5 years of the project's operations based on the 20 vehicles obtained in the first year

### 12.3 Projected Balance Sheet

Project total assets rise from US \$ 700,000 in at the end of the first year to US \$ 1,066,303 fifth which is a significance increase as you can see below

### 12.4 PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will take 15 months to implement as shown below:-

	ACTIVITY	PERIOD
1.	Processing TIC Certificate of Incentive	April 2023
2.	Funds Mobilization	May 2023 – September 2023
3.	Ordering of Vehicles	September – December 2023
5.	Arrival of Vehicles	November – 2023
6.	Trial Operations	January 2024
7.	Commercial Operations	March 2024

## 12.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

**(i) Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and Local Government authorities. It is gratifying to note that **EBN HUNTING SAFARIS LIMITED** is going to provide employment of 30 people

**(ii) Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax

**(iii) Foreign Exchange Earning**

Since the project's clientele is mostly towards tourists, the project will thus earn foreign currency for the United Republic of Tanzania.

**13.0 CONCLUSION**

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to 30 people
- (iii) The project is an encouraging sign to prove that we have investors who have confidence in the country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

**14.0 RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority (TRA) and the Tanzania Investment Centre – (TIC). The project deserves this support

because of its viability since it is technically feasible, economically viable, and socially acceptable.

**EBN HUNTING SAFARIS LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT**

	1	2	3	4	5
Revenue	720,000.00	792,000.00	871,200.00	958,320.00	1,054,152.00
<b>Operating Expenses:</b>	288,000.00	316,800.00	348,480.00	383,328.00	421,660.80
<b>Profit before Depreciation &amp;Interest</b>	<b>432,000.00</b>	<b>475,200.00</b>	<b>522,720.00</b>	<b>574,992.00</b>	<b>632,491.20</b>
<b>Interest</b>	<b>24,000.00</b>	<b>24,000.00</b>	<b>24,000.00</b>	<b>24,000.00</b>	<b>24,000.00</b>
<b>Depreciation</b>	<b>85,200.00</b>	<b>85,200.00</b>	<b>85,200.00</b>	<b>85,200.00</b>	<b>85,200.00</b>
<b>Net Profit</b>	<b>322,800.00</b>	<b>366,000.00</b>	<b>413,520.00</b>	<b>465,792.00</b>	<b>523,291.20</b>
Tax (30%)	96,840.00	109,800.00	124,056.00	139,737.60	156,987.36
<b>Profit After Tax</b>	<b>225,960.00</b>	<b>256,200.00</b>	<b>289,464.00</b>	<b>326,054.40</b>	<b>366,303.84</b>
Accumulated Profit	225,960.00	482,160.00	771,624.00	1,097,678.40	1,463,982.24

**EBN HUNTING SAFARIS LIMITED PROJECTED CASH FLOWS USD\$M**

	0	1	2	3	4	5
<b>SOURCES:</b>						
Profit before interest and depreciation	0	432,000.00	475,200.00	522,720.00	574,992.00	632,491.20
Loan	300,000.00					
Equity	700,000.00	-	-	-	-	-
<b>Total Sources</b>	<b>1,000,000.00</b>	<b>432,000.00</b>	<b>475,200.00</b>	<b>522,720.00</b>	<b>574,992.00</b>	<b>632,491.20</b>
<b>Applications:</b>						
Capital expenditure	902,000.00	-	-	-	-	-
working Capital &Others	98,000.00	-	-	-	-	-
Cash	0	11,160.00	101,400.00	194,664.00	291,255.00	391,504.00
Tax	-	96,840.00	109,800.00	124,056.00	139,737.60	156,987.36
<b>Sub total</b>	<b>1,000,000.00</b>	<b>108,000.00</b>	<b>211,200.00</b>	<b>318,720.00</b>	<b>430,992.60</b>	<b>548,491.36</b>
<b>Debt service</b>						
Principal	0.00	300,000.00	240,000.00	180,000.00	120,000.00	60,000.00
Interest	0	24,000	24,000	24,000	24,000	24,000
<b>Total debt service</b>	<b>-</b>	<b>324,000.00</b>	<b>264,000.00</b>	<b>204,000.00</b>	<b>144,000.00</b>	<b>84,000.00</b>
<b>Total applications</b>	<b>1,000,000.00</b>	<b>432,000.00</b>	<b>475,200.00</b>	<b>522,720.00</b>	<b>574,992.60</b>	<b>632,491.36</b>
Accumulated cash		11,160.00	112,560.00	307,224.00	598,479.00	989,983.00
Necessary working capital	98,000.00	98,000.00	98,000.00	98,000.00	98,000.00	98,000.00

**EBN HUNTING SAFARIS LIMITED PROJECTED BALANCE SHEET**

	0	1	2	3	4	5
<b>Fixed Assets</b>	-					
Opening balance	-	902,000	816,800	731,600	646,400	561,200
Additions	-					
<b>Total Long-term Assets</b>	-	902,000.00	816,800.00	731,600.00	646,400.00	561,200.00
<b>Less depreciation</b>	-	85,200.00	85,200.00	85,200.00	85,200.00	85,200.00
<b>Closing balance</b>	-	816,800.00	731,600.00	646,400.00	561,200.00	476,000.00
Working capital	980,000.00	980,000.00	980,000.00	980,000.00	980,000.00	980,000.00
Accumulated cash	-	11,160.00	112,560.00	307,224.00	598,479.00	989,983.00
<b>Total assets</b>	<b>980,000.00</b>					
Financed by						
Equity	700,000.00	700,000.00	700,000.00	700,000.00	700,000.00	700,000.00
Net profit	-	225,960.00	256,200.00	289,464.00	326,054.40	366,303.84
Total equity	700,000.00	925,960.00	956,200.00	989,464.00	1,026,054.40	1,066,303.84
Long term loan	-	300,000.00	240,000.00	180,000.00	1,200,000.00	60,000.00
Bank overdraft	0	0	0	0	0	0
<b>Total debts</b>	-	300,000.00	240,000.00	180,000.00	1,200,000.00	60,000.00
<b>Total equity and debts</b>	<b>700,000.00</b>	<b>1,225,960.00</b>	<b>1,196,200.00</b>	<b>1,169,464.00</b>	<b>2,226,054.40</b>	<b>1,126,303.84</b>

**EBN HUNTING SAFARIS LIMITED FIXED ASSETS**

<b>NAME OF ASSETS</b>	<b>1 USD</b>	<b>2 USD</b>	<b>3 USD</b>	<b>4 USD</b>	<b>5 USD</b>
Land And Buildings	80,000	76,000	72,000	68,000	64,000
Machinery, Tools & Equipment	20,000	19,000	18,000	17,000	16,000
Motor Vehicles	800,000	720,000	640,000	560,000	480,000
Furniture & Fixtures	2,000	1,800	1,600	1,400	1,200
<b>Total</b>	<b>902,000</b>	<b>816,800</b>	<b>731,600</b>	<b>646,400</b>	<b>561,200</b>
<b>DEPRECIATION</b>	<b>1 USD</b>	<b>2 USD</b>	<b>3USD</b>	<b>4 USD</b>	<b>5 USD</b>
Land and buildings	4,000	4,000	4,000	4,000	4,000
Machinery tools & Equipment	1,000	1,000	1,000	1,000	1,000
Motor Vehicles	80,000	80,000	80,000	80,000	80,000
Furniture & Fixtures	200	200	200	200	200
<b>ANNUAL DEPRECIATION</b>	<b>85,200</b>	<b>85,200</b>	<b>85,200</b>	<b>85,200</b>	<b>85,200</b>
<b>CLOSING FIXED ASSETS</b>	<b>816,800</b>	<b>731,600</b>	<b>646,400</b>	<b>561,200</b>	<b>476,000</b>

**PROJECTED LONG TERM LOAN REPAYMENT**

<b>Principle</b>	<b>Repayments US\$</b>	<b>Loan (8%)</b>	<b>Interest</b>	<b>Total Amount Paid</b>	<b>Loan Balance</b>
	<b>Year</b>				300,000
60,000	0	24,000		84,000	240,000
60,000	1	24,000		84,000	180,000
60,000	2	24,000		84,000	120,000
60,000	3	24,000		84,000	60,000
60,000	4	24,000		84,000	
300,000	5	120,000		420,000	
	<b>TOTAL</b>				