

**BUSINESS PLAN**

**ON**

**5 STOREY COMMERCIAL BUILDING PROJECT COMPLETIONS.**

**PREPARED FOR;**

**MR.ALEXANDER .E. LUPINDO  
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DODOMA**

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## 1.0 EXECUTIVE SUMMARY

TAKAWEDO INVESTMENTS CO.LTD is a private liability company incorporated in the United Republic of Tanzania with Certificate of incorporation No. **87943** issued on **6<sup>th</sup> December 2011**, the main line of production is Construction of Commercial Building. The proposed business plan is a result of knowledge and experience accumulated of many years. The proposed, construction of Commercial building for. Conference Halls. Stores. Offices and other facilities. It's an ambitious undertaking the project of commercial building for the growth demand of Economic infrastructure in Dodoma City.

The proposed new project of Commercial Building Materials is estimated to cost **US\$ 1,580,000** and expected to create new employment over 40 employees.

### 1.1 OBJECTED OF THE PROJECT:

The main objectives of the **MR.ALEXANDER LUPINDO** project is to improve efficiency and effectiveness of the delivery of commercial building services through better business management and financial management, thereby contributing to the economic growth of the country.

The aim is to provide and offer better services to public in the fields of accommodation.

### 1.2 MISSION

To be the most reputable and effective commercial building services to government institution foreigners and the public at large.

### 1.3 VISION

To be the most reputable and progressive enterprise in the country by providing high quality commercial building services focused at customers at customers satisfaction by 2025.

### 1.4 CORE VALUE:

- a) **(Efficiency):** Timely and quality service delivery to customers.
- b) **Customers Focus:** To know the customer needs and strive for their satisfaction.
- c) **Integrity:** To be ethical trust worthy
- d) **Innovation and creative:** Charge will be according to the quality of services.

### 1.4 START – UP – COSTS TO THE HOTEL PROJECT

The proprietor of this project **MR.ALEXANDER LUPINDO** has spent an initial capital from his business of Beer ,soft and hard drinks that has enabled to make savings of this business over a period of over 14 years to the tune of Tshs 2,125,000,000/= that now is the owner contributed to this newly established 5 Storey building construction. This initial contribution is comprised of,

## **1.5 THE COMPLETION OF THE COMMERCIAL BUILDING WOULD INCLUDE**

- a) Doors
- b) Windows
- c) Finishing
- d) Painting
- e) Floor Tiles

## **2.0 MARKETING & MARKETING ASPECTS**

Dodoma town is located in the central part of Tanzania and it stands as a junction place where people from all corners of Tanzania pass by through here. Dodoma town is among the fastest growing town with a population of about 3,000,000 at present.

The town covers a wider area which accommodates parliament house and several government Ministries with other institutions.

As a consequence of ever growing population the demand for social services is continuing to widen. The envisaged commercial building and other projects to be established in the project site will tackle the problem of accommodation albeit at minimal level. In view of the analysis provided in the main text indicates that there will be ample market for these kinds of projects.

## **4.0 PROJECT PERFORMANCE**

- 2.1.1 The economic life span of the project is three years for Tshs. 1.5 Billion for Investment loan requested.
- 2.1.2 Interest rate to be charged is 17 % p.a on outstanding balance

## **5.0 MANAGEMENT**

Management of the project will be under **MR.ALEXANDER LUPINDO** However a qualified manager will be permanently employed who will assisted by other supporting staff.

### **5.1 Employment**

This Commercial Building project is expected to create new local employment over 40 employees during and after project implementation period.

## **6.0 ECONOMIC ASPECTS**

The envisaged project will contribute significantly towards government coffers. The project will not require any kind of foreign exchange to import goods from abroad. The project will also create employment for people living around the area.

## **7.0 PROPOSED SECURITY**

- i) Legal mortgage over the Commercial building project building on Plot No 6 Block T Uhindini within Dodoma city .
- ii) Adequate insurance cover against fire and burglary covering the above said assets offered as securities to be obtained and registered and ceded in favour of the Bank.

## **8.0 PROJECT BACKGROUND**

### **8.1 SITUATION ANALYSIS (SWOT) ANALYSIS**

This section provides an analysis of strength, weakness, opportunities and threats that **ALEXANDER LUPINDO** faces as a point of departure for formulating strategic actions that will capitalize on strength minimize the weaknesses and enable **ALEXANDER LUPINDO** to take advantages of the existing opportunities while avoiding threats in the environment.

#### **a) Strength**

- It will be a new commercial building depicting the latest designs and high quality construction features.
- The provision of superior customer service.
- Conducive location for business.
- Strategically location as it is located within Dodoma town centre.
- Reliable availability of utilities such as water and electricity.
- **MR.ALEXANDER LUPINDO** is a prominent businessman.
- Good support, confidence and trust from financial institution.
- He has adequate security to cover the loan requested.

#### **b) Weakness**

- Inadequate funds to complete the project.

#### **c) Opportunities**

- Increase in number of meetings, seminars and workshops being conducted Dodoma.
- Growing market needs for Commercial building services.
- Existing gap in prime commercial buildings facilities in Dodoma.
- Existence of financial institution i.e commercial bank .

#### **d) Threats**

- Competition from other commercial buildings operating in Dodoma.
- The threat of copying of the services the commercial buildings will offer by other commercial buildings

## **9.0. TECHNICAL ASPECT**

### **9.1.1 Location**

The project is located on Plot no 6block T ,Uhindini within Dodoma city centre. The project receives all relevant utilizes eg. Water and electricity and the main sewer is within its proximity.

## **10.0 BUILDING .**

The applicant will constructed the 5 storey building which is to become a commercial building for an estimated amount of over **1,580,000 USD** and it now requires an estimated support from the Investment loan of **600,000 USD**

## **11.0 MARKETING PLAN**

Given the fact that Dodoma is the seat of the parliament and coupled with the fact that it houses the Ministry of Regional Administration and Local Government, it services as a major Government business meeting point.

It serves as a transit point for people who travel to and from Mwanza, Musoma, Shinyanga, Kigoma, Tabora, Singida and Dar es Salaam.

In view of this fact, Dodoma is a conducive place for board meetings, seminars, local and international workshop, training sessions, workers council meetings and political parties high organs sittings. All these create a demand for hotel facilities.

## **12.0 COMPETITIVE FACTOR**

The major competitors of the commercial building will be:-

- New Dodoma Hotel
- Nam Hotel
- Desert Palm Hotel
- VETA
- Saint Gasper Conference Centre

Although the other commercial building may pose a threat in terms of being low cost providers, the sponsor intends to position the commercial building as a provider of a variety services at superior level.

By the time the commercial building gains acceptance in reminds of the visitors , it will have developed a brand recognition and a strong following. Apart from our market approach, the sponsor connections to with the Government and Commercial circles, will further cushion commercial building from competition.

## **13.0 Pricing**

The price of various services to be offered at the commercial building has been set based on a market energy point strategy after having considered the need for having a competitive edge apart from the following.

- Pricing of similar facilities in Dodoma and Dar es Salaam, Mwanza and Arusha.

## **14.0 ADVERTISING AND PROMOTION**

Advertising and promotional activities will be entrusted to a firm of proven track record. The activities include but not limited to,

- Designing and distributing attractive brochures and stickers.
- Use of television and radio advertising.
- Taking full advantage of sponsor's connections with commercial sector.

The marketing cost associated to the advertising and promotional activities are expected to be Tsh 1,000,000/= in year one and thereafter Tshs 1,500,000 each year from year two to year five. The benefits to be gained from spending this amount are expected to out weight the cost.

## **15.0 SALES FORECASTS**

At an assumed 80% occupancy rate, the commercial building revenues are expected to be Tshs. 650,000,000/= in year one. This figure gradually incases to reach Tshs 745,000,000/= in year 3. The sales forecasts have been based on the market potential for its services, coupled with the market penetration strategy to be supported by the advertising and promotion efforts.

## **16.0 TARGET MARKET**

The commercial building will target on the following categories of customers:-

### **(i) Transit travelers**

These are business men and government officials who will either spend their nights in Dodoma while on transit to Singida, Tabora, Shinyanga, Mwanza, Musoma and even Ruanda and Burundi.

### **(ii) Visitors from nearby Regions**

Many people from Dar es Salaam do visit Dodoma for week and breaks or business trips. They will be treated to a totally unforgettable experience by providing them with a package which will include camping , barbecues, cultural tours and by the fire parties.

### **(iii) Corporate Business**

This group comprises the business climate who will be attracted to hold board meetings , strategic planning meetings, training sessions seminars and conferences.

### **(iv) Workshop**

With the inception of the University of Dodoma and St. John Dodoma has become a centre of learning. This paves way for various local and international workshops to be conducted in Dodoma.

### **Members of parliament**

The Parliament holds four (4) sessions a yea in Dodoma, in addition to various committee meetings.

### **(v) Competitive factors**

An analysis of the competitive industry has been done along the following areas:

**(vi) The bargaining power of customers**

Given the fact that there a number of commercial buildings in Dodoma, customers have a choice on which to go to.

Invariably this choice will be based on pricing. As it has been mentioned above, the commercial buildings differentiate its service and prospective customer will be advised that the service offered will be of high quality and it will have special and distinctive features.

## **17.0 LOCATION ANALYSIS**

**(i) Accessibility**

The commercial building will be located along the Dodoma city centre. The commercial building will thus be easily accessible from any side of Dodoma.

**(ii) Demography**

The commercial building will be located at Dodoma city centre where residential houses are springing up. This will offer a good demand for the commercial building services. Thus a more of life's meaning enjoyment will be driven by customers taste.

**(iii) Competitors**

There is a stiff competition in the area. It has limited parking space. The other competitors are located away from the Dodoma town centre and they also have a problem of ample parking space.

## **18.0 MARKET /MARKETING ASPECTS**

### **18.1 The products**

The envisaged project will provide accommodation services.

### **18.2 The market**

The providing of commercial building services falls under service sector. This sector in Dodoma town its demand is still higher to match with ever increasing number of population locally as well foreigners who happen to be tourist. The political stability of Tanzania has attracted to so many tourists coming from every corner of the world.

The proposed commercial building project will offer and cater wide range of customers who need nice rooms at affordable prices. Its proximity to the town centre is an added advantage that will attract customers. In the light of the evolution it can be concluded that there is ample market for the proposed project.

## 19.0 PROPOSED SECURITIES

- i) Legal mortgage over project on building located on Plot number 6 Block "T" Uhindini within Dodoma city.
- ii) Adequate insurance cover against fire and burglary covering the above said assets offered as securities to be obtained and registered and ceded in favor of the Bank.

## 19 .0 FINANCIAL ASPECT

### 19.1 Assumption /Consideration

- Prices employed in the analysis are current and assumed to rise by 5% for the rest of project life.
- The interest on loan to be charged is 17% on declining balance.
- 365 working /operating days in a year have been assumed.
- Capital investment structure and source of funds are shown in the following tables.

### TAKAWEDO INVESTMENT LIMITED COSTS STRUCTURE

S/N	PARTICULARS	EQUITY	LOAN	COSTS - USD
1.	Land and Building	800,000	600,000	1,400,000
2.	Machinery and Equipments		-	40,000
	Furnitures and Fixtures	20,000	-	20,000
	Motor Vehicles	60,000	-	60,000
	Pre Operational expenses	3,000	-	3,000
	Working Capitals	50,000	-	50,000
	Others	7,000	-	7,000
	<b>TOTAL</b>	<b>57%</b>	<b>43%</b>	<b>1,580,000</b>

### PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will be take 12 months to implement as shown below: -

S/N	ACTIVITY	PERIOD
1.	Processing TIC Certificate of Incentive	April 2024
2.	Funds Mobilization	May – December 2024
3.	Ordering of Vehicles and Machines	July – September 2024
4.	Trial Operations	Jnauary 2025
5.	Commercial Operations	April 2025