

FINE AND FABULOUS BOUTIQUE

BUSINESS PLAN

2024-202

1. Business Description

1.1. Background

The accommodation sector in Tanzania has experienced staggering development in steering the Tanzanian economy. The accommodation sector has grown significantly and contributed considerably to Tanzania's economic growth. On average the accommodation sector contributes 24.2% of the national GDP.

Tanzania is a truly magnificent country, packed with unspoiled environments and a variety of national parks. The landscape of Tanzania is broad and fascinating. Ranging from humid rainforests to snowy mountain peaks and everything in between, it's a varied nation that plays host to so much biodiversity. Tanzanian people are friendly and welcoming, and their culture is rich and fascinating.

Between 2016 and 2019 International tourist arrivals increased by 18.9%, while foreign exchange receipts from international accommodation grew by 25% during the same period. Statistics show that Tanzania is ranked tenth among fifty African countries in accommodation growth. Until April 2020, accommodation earnings accounted for more than 24% of the total share of exports, making accommodation the second largest foreign exchange earner after agriculture. The major source markets for Tanzania's international accommodation are the USA (13.2%) and the UK (9.5%). Other countries include: In the period between January to July 2022, Tanzania registered 742,133 tourists, a 62.7% increase compared to the same period last 2021.

Like many other countries during the peak of Covid 19 pandemic, Tanzania's accommodation sector was also affected. An intervention by the government and industry players to rescue the sector appeared to be on the right track. Industry players believed that recovery for the multi-million-dollar sector would be a herculean task, needing the full participation of all stakeholders. Tanzania opted for an earlier opening of the skies and easing of other restrictions the totem provide some relief to the Accommodation sector and rescue the economy.

Besides, generating 25% of the foreign exchange earnings, the sector also supports nearly 1.6 million direct and indirect jobs across the country. The industry was hit hard by Covid-19, earnings from the sector in 2020 dropped from the projected sum of \$2.6 million (TZS 6 trillion) projected to \$598 million (TZS 1.4 trillion).

The ongoing accommodation recovery efforts have been boosted by the opening of skies in the international region. The resumption of flights is a major boost to the accommodation sector which was devastated by Covid-19.

Additionally, President Samia Suluhu Hassan guided the filming and recording of the Royal Tour film in August last year. The documentary is set to promote Tanzania's accommodation position among other African destinations to the global audience and then raise travel and accommodation awareness for recovery from the impacts of the COVID-19 pandemic.

At the 65th World Accommodation Organization meeting, The Prime Minister, Hon. Kassim Majaliwa revealed that in the year 2021, Tanzania earned USD 1.3 Billion from Accommodation Industry. He further explained that the number of tourists visiting the country increased by 48.6%. Statistics show that in the year 2021, Tanzania received 922,692 tourists from various countries compared to the year 2020 when Tanzania received only 620,867 earning revenue of USD 714.59. The Prime Minister further said that it is Tanzanians' vision that upon reaching 2025, the number of tourists visiting the country to reach 5,000,000 tourists, and earned revenue to be at USD 6 Billion

1.2. About Fine and Fabulous Boutique

Fine and Fabulous Boutique is a family business business incorporated under the all licence operation as individual business operation with certificate of registration number **176100** dated 16th January 2008. The business was issued with Tanzania Revenue Authority Tax Identification Number (TIN) 111-826-463. Also the business is fully registered and licensed services providers in municipal

1.3. Objectives

Fine and Fabulous Boutique primary objectives are to provide all services related with accommodation, such as:-

- To provide efficient and affordable bar accommodation services.
- Conference and bar services at Morogoro region

1.4. Mission

Fine and Fabulous Boutique mission is to be the best providers of accommodation services that are responsive to our client's key business requirements. Delivering services in an economical, efficient and flexible way to allow the business to respond rapidly to both customer and market needs.

1.5. Keys to Success

The primary keys to success for Fine and Fabulous Boutique will base on the following factors:-

- Understand our customers.
- Provide the highest quality and prompt services.
- Effective communication customers through the social media and personalized Communication techniques.
- Retain customers to generate repeat purchases and initiate referrals.

2. Business Ownership

The major shareholders of Fine and Fabulous Boutique are Mr. Fujo Juma Kulususu and his wife Patronila Vicent Matlou who are both managing business together. As at 31st December 2023 the paid up share capital was amounting to TZS 3,000,000,000.

3. Operation Plan

The business office premises are located at **Plot No; 433, Block 'G' Kihonda Morogoro** Municipal Tanzania. The business started operations in 2016.

Fine and Fabulous Boutique will invest in its employees and partners basing on their potentials for augmenting the business's business growth in both volume and profitability.

The operation of the business is classified as follows:-

- Managing Director: - Overall Management of the business.
- Accounts & Finance: - handles all accounting and financial management functions.
- Marketing : deal with customer experience, consulting and marketing
- Selling and distributions

The business commits to create and maintain true partnership with our customers and employees in order to satisfy mutual desire of all stakeholders, based on excellent services delivery. The business will always defending the Values of Honesty, Integrity and Professionalism. Also Fine and Fabulous Boutique, will work with our customer and partners to establish their needs and objective, and once established we will take it upon ourselves to deliver desire results.

The business offer a standard and professional accommodation services to individual and corporate clients at national and international level. The business will work hard to meet and surpass clients' expectations whenever they hire our services.

Our client's best interest would always come first, and everything we do is guided by our values and professional ethics. We will ensure that we have professionals who are well experienced in the travels and tours industry.

At all times the business will demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in communities and integrating sustainable business practices wherever possible

The business will hold itself accountable to the highest standards by meeting client's needs precisely and completely. The business will cultivate a working environment that provides a human, sustainable approach to earning a living, and living in our world, for our partners, employees and for our clients.

4. Management and Organization

The Directors are responsible for the broad operating and financial policies of the business while the day to day management of the business is under the Managing Director who is closely assisted by the following:-

- Marketing Manager
- Accountant
- Reservation and Ticket Consultant

We have a team of self-motivated, hardworking and dedicated staff who can deliver at any time to satisfy customers' needs.

Managing Director

- Responsible for providing direction for the business
- Creating, communicating, and implementing the organization's vision, mission, and overall direction
- Leading the development and implementation of the overall organization's strategy.
- Responsible for handling high profile clients and deals
- Responsible for fixing prices and signing business deals
- Responsible for signing checks and documents on behalf of the business
- Evaluates the success of the organization

Marketing Manager

- Identify, prioritize, and reach out to new partners, and business opportunities etc
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.

- Writing winning proposal documents, negotiate fees and rates in line with business 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 expanding increase sales
- Document all customer contact and information
- Represent the business in strategic meetings
- Help increase sales and growth for the business

Accountant

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- 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 business

Through facilitation and business development services, Flytoday Travel Business Limited will undergo serious staff training with three major objectives for human resource development;

- a) To build the right skill and work culture – all staff will be trained with a view to developing staff who can offer the necessary range of specific job skills and whose attitudes towards their work and colleagues will enhance their productivity for the

business and customers. Staff will be trained on the job by apprenticeship and in-house and off the job by participation in workshops and short courses

- b) To optimize staffing levels and skills, maintain supply and overcome human resource flux and scarcity.
- c) To build leadership capacity.

5. Market Analysis, Market Target, Promotion and Competition

Our market analysis, market target, promotion tools and competitions will be as follows:-

6.1 Market Trend

The travels and tours industry is in a continuous state of evolution and as such, ground breaking strategies and ideas that are once highly successful are no longer as productive as they were in time past. Close observation of the trend in the industry reveals that the past few years have seen the rise and proliferation of social media and new tech tools.

The trend also extends to increased attention paid to engagement and new market segments, adopting eco-friendly measures and sustainability when planning travels and tours events.

As a matter of fact, social media has now become one of the most important tools travels and tours agencies leverage on to disseminate information about their travels and tours events, interact with clients, solicit feedback, and create year-round engagement with their target audience.

Furthermore, new software apps and emerging technology have made it easier for travel and tours agencies to gather all the needed data and information that will help them plan and project for the future.

One thing is certain when it comes to travel agency business, you are sure of making profits in form of commissions when you are able to successfully book flight tickets,

hotel reservation, taxi cab reservation and any other travel related services for a client. You are going to get your cut as soon as they make payment.

The truth is that, the cost of running a travel agency can be kept to the barest minimum because there are always ways you can cut operational and overhead cost.

6.2. Our Target Market

The demographic and psychographics composition of accommodation and refreshment cuts across people from all works of life; there is no clear distinction on those that would naturally need the refreshment and relaxatio. Although a travel agency might decide to concentrate on high – income earning clients, and another travel agency might only concentrate on corporate clients.

As an all – round travels and tours agency, Fine and Fabulous Boutique offers a wide range of services, staff are well trained and equipped to services a wide range of clientele base. Our target market cuts across people of different class and people from all walks of life, local and international organizations as well.

Fine and Fabulous Boutique is in the industry with a business concept that will enable us work with the highly placed people and companies in the country and at the same with the lowly placed people and smaller businesses. Below is a list of the people and organizations that we have specifically design our products and services for;

- Potential Couples / Young Adults
- Blue Chips Companies
- Corporate Organizations
- Religious Organizations (Pilgrimage journeys et al)
- Political Parties / Politicians
- Households / Families
- Groups (including Vikoba)
- The Government (Public Sector)
- Schools (High Schools, Colleges and Universities)
- Sport Organizations
- Entrepreneurs and Start – Ups

6.3. Our Competitive Advantage

The level of competitions in the accommodation line of business depends largely on the location of the business. If you can successfully create a unique brand identity for your accommodation services or carve out a unique market, you are likely going to experience less competition.

The competition in the accommodation service line of business is not just within travel agencies but also other travel related service providers.

We are quite aware that to be highly competitive in the travels and tours industry means that we should be able to deliver consistent quality service, our clients should be able to experience remarkable difference cum improvement and we should be able to meet the expectations of both travelers / tourists and our partners (services providers).

We will continue to strengthen ourselves in these areas and others so as to increase our market share as time goes. Our competitors' strategies will also be analyzed from time to time so as to stay ahead of them in every important aspect of this business.

6.4 Competitive Comparison

Despite many competitors in the city and in the country but we have analyzed our competitors very well and the following are our strengths over our competitors that have enabled us to acquire customers and retain them:-

- Better service delivery system
- We have invested a lot in developing relationship with our current and potential customers.
- We reach all customers even those outside the city center unlike most of our competitors.
- Bigger vision, we have a plan to reach other regions outside Morogoro even outside Tanzania.
- We have better expertise than most of our competitors.

6.5. Marketing & Promotion (Sales Strategy)

The business had been able to work with brand and publicity consultants to help map out publicity and advertising strategies that will help the business to walk way into the heart of target market. We are set to take the travels and tours industry by storm which is why we have made provisions for effective publicity and advertisement of our travels and tours agencies.

Below are the platforms we intend to leverage on to promote and advertise Fine and Fabulous Boutique:-

- Place adverts on both print (community based newspapers and magazines) and electronic media platforms
- Sponsor relevant community based events / programs
- Leverage on the internet and social media platforms like; Instagram, Facebook , twitter, YouTube, Google + et al to promote our brand
- Install Bill Boards on strategic locations
- Engage in road show from time to time
- Distribute our fliers and handbills in target areas
- Ensure that all our workers wear our branded shirts and all our vehicles are well branded with our business's logo et
- Personal Selling through creation of relationships with individuals who are potential customers.

6.6. Pricing Strategy

The norm in this industry is that, Bar and conference make their money via selling of beverages and renting of conference hall they get by offering related services

In addition, we will also offer special discounted rates to start – ups, nonprofits, cooperatives, and small social enterprises. We are aware that there are some clients that would need regular access to travels and tours consultancy and advisory services and assistance, we will offer flat rate for such services that will be tailored to take care of such clients' needs.

Early birds booking assured the customer get good prices and in doing this most of our customers will afford the prices. However in setting prices for our services we also consider how much is being charged by our competitors. We justify our prices by the quality of the services we offer.

6. Business Positioning

Fine and Fabulous Boutique believes in offering excellent customer service and high quality services products as one of the major factors to keep any entity alive and in progressive success. We value customers’ complains and opinions, we normally work on their feedback and because of this we have managed to retain most of our customers and be able to acquire new ones. We will continue to invest more in customers’ satisfaction and technology to match with the demand and make us stand out of crowd.

7. Financing

The business owners committed substantiate investment towards the business. As at 31st December 2023 main source of financing is equity and retained profits.

The business is now required to expand its operations by buying ticket and make hotel reservation for end of the year vacation.

Fine and Fabulous Boutique need to expand and therefore need financial assistance in terms of Overdraft a in order to meet our expectations as follows:-

S/N	Type of Facility	Amount-TZS	Purposes
1.	Loan	400,000,000	The purpose of the facility is building one floor conference and indoor bar underground.

8. Financial Plan

The financial projections for the business have been conservatively prepared basing on the industry and business trends to allow the business to develop its clientele base and establish its name within the market. The following assumptions have been applied in making the projections:-

- The owner's equity as at 31st December 2024 was TZS 3,000,000,000.00 and will increase to TZS 5,000,000,000.00 in next four years.
- Sales will increase at 20% per annum.
- Direct costs will increase by 12% yearly
- Debtors will be maintained at 20% of the total contract revenue.
- Trade creditors will be maintained at an average of 30% of direct costs and other expenses.
- The business will secure overdraft of TZS 200 million from reputable bank.
- There will be effective promotion strategies.

9. Income Statement

The projected statement of income and expenditure demonstrates a profit during entire period of the business plan.

10. Balance Sheet

The balance sheet states affairs of the business as at particular date. The projected balance sheet of the Fine and Fabulous Boutique indicates a healthy state of affairs throughout the period of four years. The assets of the business grow gradually from TZS 3,000,000,000.00 from 2023 to TZS 5,000,000,000.00 as at the end of 2027.

11. Cash flow Statement

Cash flow analysis of the business indicates a positive net cash flow during the entire projected period of four years.

FINE AND FABULOUS BOUTIQUE					
PROJECTED CASH FLOWS FOR THREE YEARS					
PERIOD: JAN 2024 TO NOVEMBER 2026					
	Beginning	Dec-24	Dec-25	Dec-26	Total
	TZS''000''	TZS''000''	TZS''000''	TZS''000''	TZS''000''
Cash at the beginning of the year	3,154,270	3,154,270	5,202,033	5,216,934	3,154,270
CASH RECEIPTS					
Various collections		2,838,066	919,512	1,011,463	4,769,040
Loan Proceeds		900,000	-	-	900,000
TOTAL CASH RECEIPTS		3,738,066	919,512	1,011,463	5,669,040
Total Cash Available	3,154,270	6,892,336	6,121,545	6,228,397	
CASH PAID OUT					
Parish Expenses		47,276	65,673	68,957	181,906
Salaries		46,506	64,604	71,064	182,174
Conference renovation		217,588	263,879	277,073	758,540
Administration expenses		94,025	124,395	130,615	349,034
Arrangement fees		27,000	-	-	27,000
Interest expenses		132,066	93,613	35,547	261,225
SUBTOTAL		564,460	612,164	583,256	1,759,879
Purchases of Asset/Loan repayment		1,125,843	292,447	349,654	1,767,944
TOTAL CASH PAID OUT		1,690,303	904,610	932,910	3,527,823
Cash at the end of the year	3,154,270	5,202,033	5,216,934	5,295,487	