

TAKIMS HOLIDAYS TOURS & SAFARIS LTD.



“To be Tanzania’s premier safari outfitter poised to provide exceptional quality service, good value and activity based safari holiday solutions for the discerning traveler”

BUSINESS PLAN

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1.0 OBJECTIVES

The aim of this business plan is to illustrate the corporate investment and growth objectives of Takims Holidays over the next three to four year period by way of new investments. They can be summarized as follows:

Cost Reduction & Efficiency Enhancing Initiatives	Revenue Growth & Market Expansion
Establish fleet capacity and vehicle equipment, radio communication	Promote Tanzania as a cruise ship destination
Use technology more efficiently for stock control of vehicle parts, accounting, HR payroll and other such operational activities	Solidify and promote our established internet presence by engaging a search engine ranking company coupled with aggressive online advertising
Upgrade office equipment – Dar-es-Salaam, Arusha VOIP interconnectivity	Promote Tanzania as a unique tourist destination with exclusive ' <i>off the beaten path</i> ' and ' <i>high end</i> ' holiday solutions through creative new products/ services
Empower and train employees in latest hardware and software technologies for the industry	Establish capacity and utilization of our Zanzibar servicing office – should be demand driven
Cultivate and sustain a working environment that attracts employees who share in the pride of superior quality services and success of the company in the tourism industry	Increase average duration of client holiday stay in Tanzania and increase average group size visiting Tanzania
Use technology to empower staff to work more efficiently and provide appropriate training	Offer more diverse products/services catering to the adventure seeker and activity based holidaymaker i.e. offer higher end products with higher markup, fly-in safaris for holidaymakers on a tight timeline

Table 1.0

Takims Holidays aims to provide exceptional quality, value for money and environmentally sustainable safari holiday solutions for the increasingly discerning holidaymaker. The product must offer a unique holiday experience in terms of exposure to local culture, adventure and beach relaxation. Market research throughout North America and Western Europe indicates increased popularity of activity-based holidays as opposed to traditional holidays where the client remains largely reactive and at the mercy of the limited itinerary offered by the ground operator.

Table 1.0 provides a preliminary indication of the positive impact to the company. Note that some investment opportunities will result in immediate costs with intangible benefits such as staff training. The training benefits will mostly be indirect in nature, resulting in both more efficient use of resources (cost reduction) and a more professional image (revenue growth).

This business case shall demonstrate that our corporate objectives are in line with the Tanzanian Government's economic objectives for investment as purported by The Tanzania Investment Center's requirements. Among the various prerequisites, **foreign exchange generation, creation of employment opportunities, transfer of technology** and **establishment of services** are ones that will be immediately fulfilled.

Yet others such as improving the skill set of our Tanzanian labor force, expansion of client markets, creation of unique products and bringing the cruise market to Tanzania will have positive net benefits to Tanzania as a whole.

During the course of reading this document, you shall discover how Takims Holidays has pioneered in various aspects of the tourism industry, many of which are now taken for granted. These include Guaranteed Departure safaris, airport shuttle services, a cohesive internet marketing strategy, Tanzania as a cruise ship destination among many others.

2.0 EXECUTIVE SUMMARY

OUR COMPANY

Takims Holidays Tours & Safaris Ltd. is a private limited company and registered in 1966 in Dar-es-salaam. The company operated as a partnership and was subsequently incorporated in 1978, and the name changed to reflect its core business activity - tour operations.

The main objective in the conduct of our business is to pursue technical and administrative excellence, at the same time keeping in mind ethical consideration in pursuing the goals of the company. The company Directors desire to cultivate an atmosphere of stable growth and confident future in the tourism industry in Tanzania by personal involvement in various Associations in the industry to help secure, with the efforts of the Government, a conducive environment for private-sector led involvement and development.

Takims Holidays Tours & Safaris is a long established family run business, which celebrated 65 years in 2015. The company started as a travel agency in Zanzibar in the 1940's and branched out into Dar es Salaam in the 50's, and later Arusha in 1981. In 2004, a servicing branch was opened in Zanzibar.

Our office in Dar es Salaam services clients for the Southern and Western Circuit - Selous, Mikumi, Ruaha, Udzungwa, Gombe Stream and Katavi including the coastal areas of Dar es Salaam beach, Bagamoyo, Pangani, Saadani, Mafia and Zanzibar. The Arusha office looks after tourists going to the Northern Circuit - Ngorongoro, Manyara, Serengeti, Tarangire, Lake Natron, Mt. Meru and Kilimanjaro Trekking.

Takims Holidays has also been appointed as ground handlers for some international cruise liners in the ports of Dar es Salaam and Zanzibar that often visit our ports. We also operate a fully-fledged IATA accredited travel agency catering to both inbound and outbound air traffic on all international airlines of the world. This has allowed us to provide inbound tourists with a fully packaged holiday offer – quite unique in Tanzania as most tour companies only do ground arrangements and hotel transportation, leaving tourists with the hassle and work of securing their inbound air flights.

VEHICLES

The safari experience involves many exciting days viewing wildlife. As such, we pay utmost importance to the quality and comfort of the safari vehicle. Our safari vehicles are all converted into custom-built safari cars, with pop-up roofs to enable visitors to view wildlife better. Vehicles are fitted with thickly cushioned individual seats. We promote local industry by having all of our new vehicles tailored to safari specifications within Tanzania. Previously, when Tanzania did not have the skill set to do such modifications, all vehicles had to be tailored in Nairobi. Minivans carry a maximum of 7 persons; 4-wheel drive, 5 persons and everyone is guaranteed a window seat. New vehicles include extended 7 seater land cruisers with bodies tailored to our rigorous company specifications. All safari vehicles have two-way radio communication equipment fitted to keep in contact with our offices. A cool box, a pair of binoculars and reference books on mammals, birds, flora and fauna are all standard equipment in each safari vehicle.

OFFICE PERSONNEL

Our team of professionally trained and qualified staff are fully committed to providing the highest level of customer satisfaction. The staff involved in organizing your Tanzanian holiday undergo rigorous training in customer care, itinerary preparation, product knowledge and marketing, among other areas. Emphasis is on paying meticulous attention to minute details of an itinerary which make a holiday so enjoyable and memorable.

DRIVER GUIDES

When you book with Takims you are assured driver-guides who are extensively trained, qualified and experienced. Their knowledge spans over virtually everything you will encounter on safari – the wildlife, flora and fauna, the birdlife, the people and the local culture. Each driver-guide undergoes a rigorous and mandatory training program. Training is a life long process and all staff are encouraged to improve themselves be it through European/Asian language courses, wildlife courses or general reading. Our greatest asset is our people.

AFFILIATION

The company is a member of various Travel, Tourism and Environmental associations locally as well as internationally, including the Tanzania Association of Tour Operators (TATO), Tanzania Society of Travel Agents (TASOTA), the American Society of Travel Agents (ASTA), and the Wildlife Conservation Society of Tanzania (WCST). Takims Holidays is also an IATA approved Travel Agency.

For many years now the Managing Director consults for the Ministry of Natural Resources and Tourism and advises on various travel and tourism matters when opinion/advice is sought. The Managing Director has been actively involved in the travel and tourism industry affairs - he has served as vice-chairman of Tanzania Association of Tour Operators (TATO) for three terms and its chairman for 3 terms. He has also served as vice-chairman and chairman of the Tanzania Society of Travel Agents (TASOTA) for 1 term and currently serves as Trustee to the board.

PRIVATE SAFARIS

Takims specializes in handling groups ranging from individuals and families, to medium sized groups up to 35/40 persons. Due to our competitive rates and attractive all inclusive packages, we frequently service small groups and honeymooners. Private Safaris ensure complete flexibility in the formation of your itinerary.

GUARANTEED DEPARTURES

Our company is famed for its guaranteed departure (seat-in-bus) safaris which offer excellent value for very small groups or individual. Takims Holidays has long understood the needs of small groups and individuals hence pioneered the concept of guaranteed departures in Tanzania in the 1980's. These safaris are guaranteed to leave on specified days of the week with a minimum of 2 people. Regardless of the final group size, the safari is guaranteed to operate – even with only two people on safari!

The following safaris are available as Guaranteed Departures:

TH601 2 days Mikumi

TH602 4 Days Selous

TH603 3 days Manyara/Ngorongoro

TH604 4 days Manyara/Ngorongoro/Serengeti

TH605 4 days Manyara/Ngorongoro

TH606 6 days Manyara/Ngorongoro/Serengeti

ACCOMMODATION FOR EVERY BUDGET

We realize that people differ in their preferences of hotels, lodges and camps. We therefore believe you have the right to choose your own lodging, and assist you with detailed descriptions of the options and costing. All lodges featured in our brochure and Internet website have met our minimum standards of accommodation, and most surpass them.

OUR COMMITMENT TO SUSTAINABLE TOURISM

At Takims Holidays we strongly believe that our world is ours to preserve. Our vehicles undergo a thorough safari check after each safari at our in-house workshop to ensure engines are performing at their optimum. Our vehicles only use diesel fuel or unleaded petroleum. Our driver-guides are very cognisant about the potential impact of tourism on the fragile environment, and as such will also encourage you to follow park regulations including not littering and not requesting to drive off the designated park tracks.

ANCILLARY

Other services offered by Takims Holidays include car rental, airport transfers, meetings, conventions and business conferences, incentive travel, beach holidays, scuba diving, hotel reservations, domestic and international air ticketing, and ground handling for Cruise Ships in Dar es Salaam and Zanzibar.

3.0 MANAGEMENT SUMMARY

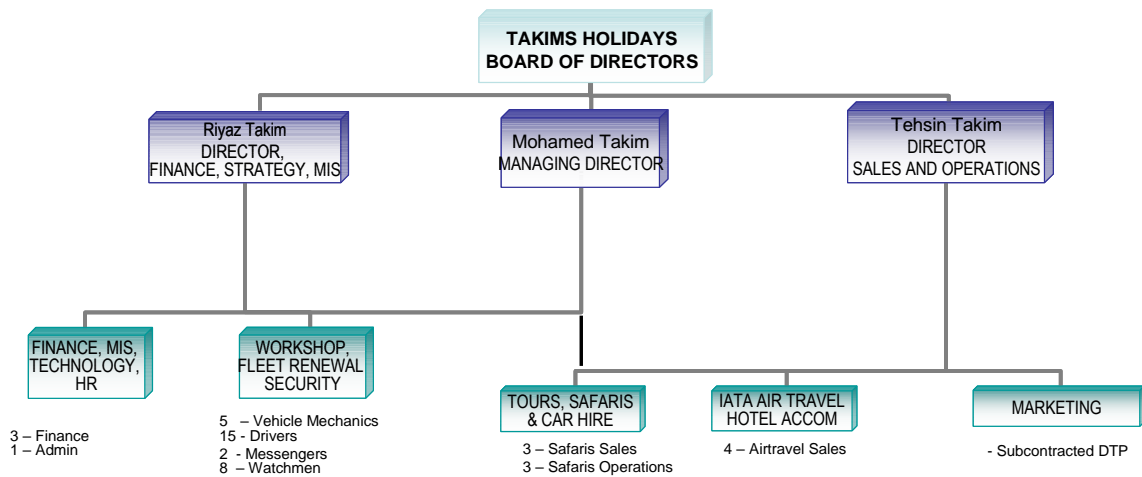


Fig. 3.0 - Senior Executives, Management and Sales Team

MANAGEMENT PROFILE

Tehsin Takim, Director - Tour Operations and Marketing

Holder of B.A. (Hons.) from University of Toronto and MSc degree from London School of Economics.

Secretary of Tanzania Society of Travel Agents (TASOTA) for 4 years and served as a board member of Tanzania Civil Aviation Authority Consumer Consultative Council for 6 years. Currently and independent director on the board of Reliance Insurance.

Riyaz Takim, Director – Finance, Strategy and MIS

Holder of B.A. (Hons.) and MSc degree both from London School of Economics.

Many years' experience in deal origination, due diligence, execution and monitoring of investments for various East African investment funds.

4.0 PRODUCTS AND SERVICES

Takims Holidays largely caters to the inbound tourism sector, which includes :

- Safaris to the National Parks and Game Reserves to view plentiful wildlife. This spans the world famous Serengeti National Park, Ngorongoro Crater, Tarangire, Manyara as well as areas considered off the beaten path that the government is trying to promote such as Selous Game Reserve, Ruaha National Park, Mikumi, Gombe Stream, Mahale Mountains, Udzungwa, Pangani, Saadani, Oldoinyo Lengai amongst others.
- Kilimanjaro and Mt. Meru climbing expeditions
- Beach holidays in Zanzibar, Pemba, Mafia, South of Dar-es-salaam
- Deep sea diving in the world famous Pemba Channel or Mafia Island
- Exposure to the Swahili culture, romantic and historical sights of the coast, Bagamoyo and Zanzibar
- Car hire services across the country
- Airport transfers and border pick ups
- Hotel/Lodge reservations
- Air travel worldwide

Having offices in Arusha, Dar-es-Salaam and a service office in Zanzibar, we are particularly well placed to be a single solution provider to the most complex of client requirements without having to necessarily sub contract services amongst various sub-vendors. As such, we offer highly personalized services of superior quality.

5.0 TOURISM INDUSTRY AND MARKET STUDY

TANZANIAN TOURISM INDUSTRY

Tanzania has diverse and beautiful natural attractions and plentiful wildlife roaming around in their natural habitat in various National Parks. The official policy since liberalization of the economy in 1986 has been to encourage the growth of the tourism industry in a manner that does not cause destruction of the environment. The policy is therefore low volume and high-yield tourism. It is this policy of not crowding our national parks and game reserves with too many visitors which has seen a steady increase in arrivals, still much less than the 'carrying capacity' of the sum total of 13 National Parks, 16 Game Reserves, 50 Game controlled areas, a conservation area and Marine Parks.

Since the age of liberalization started, stakeholders in the tourism industry answered to the call of the Government to allow the private sector to develop the industry with the government creating a conducive environment for healthy growth and relegating itself to the role of policy formulation. This atmosphere has encouraged investments in the

hospitality and catering sector, with the construction of lodges in various parks and luxury camping lodges and hotels in the main cities and towns. Tour operators have also taken the lead in renewing vehicle fleets of safari buses and 4-wheel drives.

The competitive strength of Tanzania tourism is its abundant and diverse wildlife in its pristine form, scenery, unspoilt natural environment and low tourist numbers. It is also considered to be a safe destination aside from warnings about yellow fever, dengue fever and petty theft.

The breakdown of arrivals in Tanzania by region and country are not easy to come by, however BMI - Business Monitor International has consolidated some statistics. Africa has always been the largest regional source market for Tanzania and is estimated to supply more than half of all classified arrivals in 2017, with 483,000, representing growth of 3.0% over prior year. Europe is the second largest, with 259,000 declared arrivals in 2017 and growth of 7.0% year over year. These regions will still sustain similar levels of growth throughout their forecast period. North America is the third largest source market, with 129,000 arrivals expected in 2017, showing a 10.8% increase from 2016. North America will be the fastest growing source region over the five-year forecast period, growing by an average of 9.7% a year, though 2017 will represent the zenith of this trend. Visitors from the US and Canada will view Tanzania as a primary destination for exotic holidays and safaris, driving strong growth in this category.

On the basis of individual countries, Kenya is set to remain the largest single source market for Tanzania, with 190,000 arrivals expected in 2017, while the US will be the second largest source market with 104,000, and the UK coming in third with 74,000. These countries are expected to show an increase in arrivals from 2016 to 2017, and will remain the top source markets through to 2021. Kenya's proximity to Tanzania and historical ties in many areas encourage the movement of students, workers and tourists between the two countries, though the market is now mature and growth will be slow. Furthermore, recent developments have shown greater economic rivalry between the two countries, as demonstrated by Tanzania's decision not to be included in the East Africa Tourist Visa scheme.

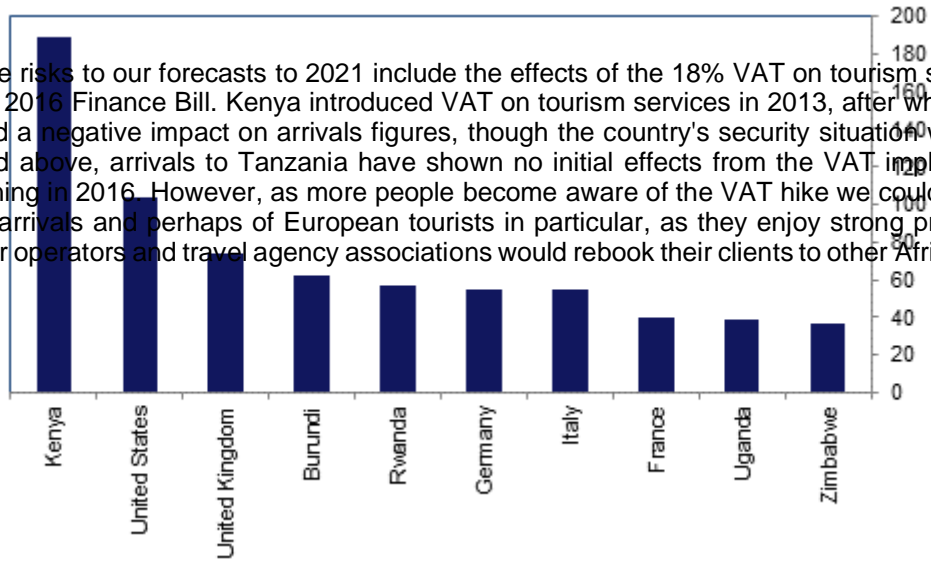
Tanzania has very strong historical ties with the UK, since it was at one time under British rule. The Foreign Commonwealth Office of the UK does not report any serious security threats for travel to Tanzania at present as it does to Kenya, which means that, at least in the medium term, British tourists will likely choose to visit Tanzania. Meanwhile, strong bilateral relations between the US and Tanzania mean high volumes of business and leisure visitors travel between the two nations, which will see the US remain the third highest source market throughout the forecast period. Germany, another former colonial power, will continue to provide holidaymakers who see Tanzania as a favoured safari destination. The country will remain a popular destination for Europeans, with Italy and France also in the top 10. The remaining major markets for inbound travel are neighbours Burundi, Rwanda and Uganda, which benefit from geographical proximity and ease of access, and Zimbabwe, which has strong flight links with the country. China is a potential new source market for Tanzania, as Chinese tourism agencies are creating positive publicity for Tanzania. China has been heavily investing in the country in terms of various infrastructure projects, thus already creating links and movements of people between the two countries.

Source: BMI

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Proximity And Historical Ties Drive Arrivals

Tanzania - Inbound Tourism, Top 10 Markets by Arrivals, 2017f



Possible downside risks to our forecasts to 2021 include the effects of the 18% VAT on tourism services that was announced in the 2016 Finance Bill. Kenya introduced VAT on tourism services in 2013, after which it recognised that the move had a negative impact on arrivals figures, though the country's security situation was also a major factor. As outlined above, arrivals to Tanzania have shown no initial effects from the VAT implementation, with growth strengthening in 2016. However, as more people become aware of the VAT hike we could see a decrease in the number of arrivals and perhaps of European tourists in particular, as they enjoy strong protectionist rights and European tour operators and travel agency associations would rebook their clients to other African destinations.

Tourism in Tanzania has been growing at an above average pace. Some statistics show the following:

	2014	2015	2016	2017	2018e	2019e	2020e	2021e
Total arrivals, '000	1,140.16	1,137.18	1,284.28	1,353.80	1,424.57	1,499.87	1,577.99	1,664.23
Total arrivals, '000, % y-o-y	4.0	-0.3	12.9	5.4	5.2	5.3	5.2	5.5
International tourism receipts, TZSbn	3,405.26	4,589.44	5,960.86	6,952.71	8,430.41	9,977.50	11,473.55	13,226.21
International tourism receipts, TZSbn, % y-o-y	8.6	34.8	29.9	16.6	21.3	18.4	15.0	15.3
International tourism receipts, USDbn	2.05	2.25	2.73	3.08	3.47	3.92	4.42	4.99
International tourism receipts, USDbn, % y-o-y	5.6	10.1	21.0	13.0	12.8	12.8	12.7	13.0
Hotel and restaurant industry value, TZSbn	872.34	957.27	1,050.24	1,078.92	1,127.62	1,182.16	1,234.72	1,291.73
Hotel and restaurant industry value, TZSbn, % y-o-y	-3.4	9.7	9.7	2.7	4.5	4.8	4.4	4.6
Hotel and restaurant industry value, USDbn	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Hotel and restaurant industry value, USDbn, % y-o-y	-6.1	-10.4	2.2	-0.5	-2.8	0.0	2.4	2.6

f = BMI forecast. Source: National sources, BMI Business Monitor International

Fig 5.0 – Growth in number of visitors to Tanzania

Generally visitors stay used to be about 4 days, but with the improvement in the infrastructure, quality new lodges and opening of beach resorts in Zanzibar, the average length of stay has increased to 10 days.

Currently tourism is estimated to contribute about 22% to GNP with US Dollar earnings exceeding One Billion per annum, it has now overtaken agriculture as the nation's largest foreign exchange earner. In view of the limited industrial capability of the country, tourism is rightfully given the importance as an engine of economic growth.

CRUISE INDUSTRY

Industry research¹ shows that the global cruise industry is fast expanding. The CLIA (Cruise Line Industry Association) estimates that cruise capacity grew by 11% in 2000 and expects growth in 2001 to be similar. Recently, Tanzanian ports have seen an increase in cruise ship visits – refer to appendix 1.0 for related press releases.

Following are some notable quotes from some leading cruise industry stakeholders and experts:

¹ ASTA Agency Management Vol 70, No 5, May 2001

“ If you do your bit and we do ours, we will grow the industry together and 43% new capacity will seem like a small number in 2006 ” – Andy Stuart, Senior VP Marketing and Sales Norwegian Cruise Lines, on the pending advent of 53 new ships in the cruise industry in the next five years.

“ Our industry should be renamed ‘value’ “ – Frank Del Rio, co-CEO of Renaissance Cruises, noting that the average cruise sale brings \$600 in commission.

“ The enormous baby boomer market will be retiring earlier, and with far higher incomes from stock options, pensions, inherited income like we have never seen before”
- David Morris, Senior VP Sales, Crystal Cruises

Commercial cruise ships had rarely visited Tanzania until the year 2000. Prior to that, the occasional cruise ship would make a sporadic visit with passengers getting minimal exposure to the port cities of Dar-es-Salaam and Zanzibar. The visit would usually be for refueling, replenishing supplies or allowing passengers to embark/disembark and connect with onward flights out of Tanzania.

Takims Holidays was successful in attracting several cruise ships visits in the year 2000. Having no past experience with Tanzania or Tanzanian tour operators, the cruise operators opted for short cultural tours of Dar-es-Salaam City, Bagamoyo, Zanzibar, Jozani forest and the like, with no passengers spending a night on shore. Based on their positive experiences in 2000, some cruise ships have booked repeat visits of longer duration, and higher value excursions with the possibility of one or two nights on shore i.e. in the Selous Game Reserve or in the Ngorongoro Crater thereby increasing Tanzania's income. We have handled ships nearly every year aside from the last two years which saw a reduction in visits due to Somali pirates in the Indian Ocean waters around East Africa.

Tanzania stands to capture a larger portion of the East African cruise market, currently dominated by the ports of Mombassa, Mauritius, Seychelles and Madagascar. The American cruise organizations are coming to the realization that Tanzania has tremendous on shore excursion opportunity that warrant further investigation. We as suppliers of tourism services and infrastructure must be prepared to rise to the occasion and offer appropriately tailored tour options and quality logistical services that the world tourism market expects. Takims Holidays has made a sincere commitment to fill this void through our ongoing re-investment program as articulated within this business plan.

6.0 COMPETITION AND COMPETITIVE ADVANTAGES

COMPETITION FOR TANZANIA'S TOURISM INDUSTRY

Our main competitors for the country are Kenya, Zimbabwe and South Africa for safaris and Kenya, Mauritius and Seychelles for beach tourism. As Tanzania is now spending more on international marketing, there is an increase in arrivals as well as receipts. On the safari front, the world famous Serengeti, Ngorongoro and Mt. Kilimanjaro tend to market themselves simply by word of mouth and mass exposure on geographic and documentary television stations in the industrialized world. As such, people abroad may not necessarily know of Tanzania per se, but they will have heard of the Serengeti, Ngorongoro and Mt. Kilimanjaro. This gives us an added advantage over Kenya and South Africa. In light of this, numerous Safari operators in Zimbabwe, Kenya and South Africa tend to offer package tours that include a few days in Tanzania's parks, sub contracting this business to a local operator. This indicates an acknowledgement on their part of our superior safari product, yet they leverage off this by packing in several days in their county as well.

In terms of a beach holiday product, only recently has Tanzania raised its standards of accommodation and professionalism in the hotel industry, primarily in Zanzibar. This has allowed us to grow this sector, at the expense of Kenya's Mombassa beaches. Takims Holidays has seized this opportunity by aggressively promoting a popular two-week excursion that consists of about 8 days of safaris and 6 days in Zanzibar – a mixture of stone town tours and beach relaxation. This achieves several objectives:

1. Clients now spend the entire duration of their holiday in Tanzania thereby maximizing Tanzania's portion of the total holiday dollars spent.

2. Less time, money and resources are spent in shuttling clients between countries hence reducing unnecessary costs to the holidaymaker.
3. Increase in the average holiday duration/number of days spent by clients in Tanzania

All this has significant downstream effects through increased city tours, boat transfers, domestic air travel, bed nights and meals consumed in various domestic locations, purchase of local souvenirs, not to mention the obvious impact of a total boost to Tanzania's tourism earnings.

COMPETITION FOR TAKIMS HOLIDAYS

Our main competitors are the tour operators, both foreign registered as well as local companies operating in the country. By and large the market is highly skewed-a small number of tour companies control a large percentage of the market, so there are a large number of very small companies that have a negligible market share, and are of little consequence. The larger tour companies tend to rely on being fed with a continuous flow of tourists from overseas based agents, running on low margins and high volumes. The small ones tend not to survive too long unless they specialize in a niche area such as budget mobile camping or luxury camping. The medium sized companies, like ourselves, tend to serve several niche areas as will be discussed below. Most tour companies are based solely out of Arusha, in the Kilimanjaro region of Tanzania. Companies that focus purely on the logistical aspects of Kilimanjaro climbing tend to be headquartered out of Moshi due to proximity to the mountain.

Then there are a small number of travel agents who mainly specialize in outgoing tourism and pure air ticketing, but do a small amount of inbound tourism. There are many of these firms in Dar-es-Salaam, the city with highest air ticket sales, not surprising for a commercial capital city. They tend to outsource tours to established tour operators like ourselves, avoiding the logistical hassles that they are simply not equipped to deal with, making a 10% to 15% commission for themselves in the process.

Due to the relative inexperience of the many small and new companies, many of them start and close after a short period of time; while a number of travel agencies close down due to the volatile nature of the travel industry and extending credit facilities to companies that do not pay on time. When such companies do not pay IATA on time (fortnightly) they are defaulted by IATA which then withdraws its appointment and such companies are forced to close down. This is indicative of the low level of entry barriers into the industry. Simply put, a travel agency requires a small retail space, a phone line, a desk, few chairs and one is in business. Tour companies are often started with one multipurpose dilapidated vehicle and often no sales office as clients are met at airports or bus stands. Again, the latter tend not to last long as they find the temptation to fold immediately after receiving client payment all too overwhelming. We do not regard this group as our competition as they are not serious long-term contenders in the industry.

CORE COMPETENCIES AND COMPETITIVE ADVANTAGES

This section outlines our primary areas of strengths and qualities that differentiate us from our peers. We think of ourselves as a medium sized organization that has a niche market within the overall tourism market. The following outlines our main source of tour holiday reservations:

1. Our newly developed Internet website provides for a steady influx of high duration/high revenue bookings.
2. Referrals and word of mouth from clients who have gone on holiday with us before.
3. Travel Agencies based within Dar-es-Salaam who simply do not have the logistics and hotelier relationships to organize safari holidays. They need to provide these services to their regular clientele who may be locally based or foreign.
4. Tour companies based in Kenya who do not have an established presence in Tanzania and need an affiliate to provide services for the short portion of time their clients will be in our country.
5. Foreign based touring companies that market directly to clients in their respective countries.
6. Experience handling upmarket clientele through 6 star cruise liners.

Our strengths are characterized by the following qualities:

1. Our company offers competitive prices for tours and safaris. This stems from our ability to control costs and negotiate favourable rates with hoteliers with whom we have long established relationships. Furthermore, we operate with a lean administrative staff.
2. We have very competent and skilled top management combined experiences of over 100 years between the Directors and Branch Manager. We are able to demonstrate superior product knowledge that we impart to our affiliates and clientele alike.
3. We maintain a fast response time to initial inquiries-by phone, fax, email or walk-in. The target is an immediate turnaround on simple phone in and walk in inquiries and on more complex requirements, faxed and e-mailed inquiries a turnaround time of within 24 hours. We regularly beat these timelines in an effort to exceed client expectations. Our ability to maintain this level of turn around is enhanced by our in-depth product knowledge.
4. We are a very old company, in the business for over 60 years now, and have a solid reputation of being a reliable, experienced company that is pleasant to deal with. The main tourist guidebooks all mention us in this light. The entries are made based on their own independent investigations and client feedback.
5. We make regular investment in renewing our fleet capacity and vehicle equipment, maintaining the highest standard of passenger comfort and logistical capabilities. Radio communication equipment enables contact between all vehicles, head office and branch office within Tanzania.
6. We organize regular familiarization trips for our staff and agents to learn more about the product we sell in order to be able to sell better and instill confidence in our agents/clients in our product knowledge.
7. We have a head office in Dar-es-salaam, a branch in Arusha, and recently opened a servicing office in Zanzibar. By maintaining a presence in these three primary locations, Takims Holidays is strategically placed to service and grow incoming tourism. We are able to provide a one-stop-shop where the most complex safari can be effected by our resources without having to deal with the anxiety of sub-contractors who may not have an appreciation for the professionalism demanded by the tourism industry.
8. Leading edge Internet website allows us to actively promote Tanzania, our organization and our services to the world. This has also reduced our dependence on foreign tour companies and travel agents as a source of providing clients. This website is comprehensive and all encompassing. It has received positive feedback from the many visitors and hotel managers whose properties we feature.
9. Innovation and a pulse on what clients are looking for in a holiday. After each and every safari, we conduct a comprehensive debriefing of the clients experiences. This feedback provides us with invaluable information on client expectations, where we may have fallen short and areas for improvement. We also become aware of areas of competency that we should continue to focus on.
10. Our margins are high enough to enable us to provide stable internal financing for growth. This is further articulated in section 8.0 Investment Plan where you can see our uninterrupted track record for reinvestment through both internal and external financing.

The importance of these core competencies should not be underestimated. The touring business has relatively low barriers to entry, as such, there is a continuous ebb and flow of companies forming and closing due to the difficulty in reaching a critical mass hence being unable to compete in this cutthroat industry. A track record of survival is critical when financing companies and banks assess loan conditions. In this area we have an impeccable reputation of repayment hence their willingness to finance further investment and growth.

7.0 GROWTH STRATEGY

STRATEGIC OBJECTIVES

Our strategic objectives are as follows:

1. Renew our vehicle fleet on a continuous basis so that we can continue to offer high quality services that our customers have come to expect of us.
2. Become a leading Tanzanian logistics and ground operations provider in the Northern Circuit of Tanzania by building our own infrastructure for our tour operations. This includes our own office premises, garage for vehicle repairing and rest area for our tourists. This will make our operations more efficient.
3. Promote Tanzania and our firm's Internet presence by increasing the number of visitors to our website. This will lead to an increase in direct bookings that tend to be of longer duration and higher revenue than bookings traditionally made through tour company affiliates.
4. Deepen and widen market penetration. Enter newer markets such as South America, Japan, Korea, India, China, Russia and other South Asian countries that are emerging markets for wildlife viewing holidays. The Government is in the process of developing cultural/historical tourism and coastal tourism, all to divert touristic traffic from the fast-growing areas in the Northern Circuit. This is a relatively new product for Tanzania to offer, and our company is in the vanguard to offer these services.

ACTION PLAN

We intend to fulfill them through the following action plan consisting of significant investment and financial outlay as articulated in Section 8.0 Investment Plan.

The current strategy is to renew our present fleet and replace aging vehicles, improve the quality of services we provide to very discerning tourists and reduce costs of maintaining aging fleet by phasing them out and purchasing new ones for replacement as well as establish a presence in new areas such as western Tanzania, covering Ruaha, Katavi and other wildlife conservation areas and game parks. Encouraging tourists to visit these other areas will reduce the environmental impact and strain on the traditionally visited Serengeti and Ngorongoro (northern circuit) areas. New vehicles have historically been financed through our bankers via lease arrangements and loans. We have a long-standing relationship with Barclays Bank and I&M Bank hence purchasing new vehicles through lease finance should be straightforward. We also have unutilized working capital facilities with the banks. On a going forward basis, we anticipate purchasing 4 wheel drive Land Cruisers to eliminate the need to sub hire from others when we run short of vehicles.

Our internet website presence needs to be further intensified so that the major web search engines such as Yahoo, Google, Goto, Go, amongst others rank us highly under the most relevant search categories and keywords. This will improve our visibility when a potential client or foreign agent attempts to seek out Tanzanian based safari operators. Our research has narrowed our choice to three firms that may be potentially suited to helping us in achieving this goal. Pending approval of our business plan, we will select the most competent of the firms and engage them on this contract. They guarantee to improve our visibility.

We have also begun to engage in marketing initiatives specifically targeting towards the cruise industry. Our well thought itineraries, fly in safaris and on shore excursions have been popular in the short period we have been promoting them and hope to attract newer cruise clientele with this initiative.

New activity based excursions, including cultural excursions are being integrated into our itineraries and offered as optional extras for the active holidaymaker. Examples of this include kayaking in Arusha National Park, walking safaris and visits to traditional Masai villages. All activities are endorsed by the Tanzanian National Parks to ensure there is no adverse environmental impact in the parks or on the wildlife.

Sales and service staff are being encouraged to train in foreign languages, customer care and service excellence. Their product knowledge is already above average as we ensure that all front line sales personnel have visited the major tourist destinations and many have visited the less frequented sites too. In doing so, we will be better positioned to serve our new markets that we intend to penetrate.

From a marketing perspective, we will attend more trade fairs to boost our exposure and that of Tanzania abroad. We will increase our participation from two trade fairs per annum to at least five or six per annum possibly including the annual World Cruise fest. This will be coupled with more aggressive advertising in trade magazines and newspapers.

Success of the company's efforts will be measured by financial audits and the number of satisfied clients it has served.

INDUSTRY RISKS

In light of recent events that have taken place in Iraq, Afghanistan, parts of Africa and the continued state of alert in the United States of America and Western Europe, we expect growth opportunities to emerge from elsewhere. Countries that are not traditionally a source of tourist arrivals such as South America, China, Korea, India, Russia, Australia and elsewhere are proving to be promising growth areas. Our marketing strategy is in line with this view.

Based on this, it is imperative that the TIC grants us their seal of approval so we can go ahead with our investment program and hopefully grow Tanzania's tourism industry. As a sign of our sincere commitment to growth and internal re-investment, we have been present at the World Travel Market show in London England, We are Africa in South Africa and ITB in Germany. These are the largest industry trade show and through our presence, we hope to speed the growth process for the tourism industry in Tanzania.

8.0 INVESTMENT PLAN

The company has over a period of several years been successful in accumulating internally generated capital to purchase vehicles to serve the tourism industry, and exceed our clients' expectations. We have also utilized bank facilities in the past to acquire new vehicles and these have all been paid off now.

Subject to TIC approval, we plan to invest a TZS 3 billion over the next 3 to 4 years on new safari vehicles. This will ensure that we are able to maintain a quality fleet with which to service clients and provide services for wildlife viewing all over Tanzania. We hope that our marketing initiative in the USA and Europe will assist us in utilizing our fleet of safari cars. With a young fleet, our maintenance costs are significantly reduced and we are able to sell off older vehicles with a higher re-sale value than if we used them for a few more years.

We also plan to invest US\$3,000 per annum on training our staff on client satisfaction and service excellence. Driver guides are encouraged to learn third and fourth languages such as Spanish, Italian and German in addition to perfecting English. Assistance will be given to the most promising of staff. This is in line with our commitment to retain the highest quality of staff and continuously train them to excel in client satisfaction.

9.0 IMPLEMENTATION SCHEDULE

SCHEDULE OF IMPLEMENTATION OF INVESTMENT																
TIMELINE	2019				2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
VEHICLE PURCHASES:																

This section includes a schedule outlining the main initiative of this project and how it is proposed to be implemented in terms of time schedule. The investment is contingent on approval of this business case by the TIC.

Vehicles need to be purchased with at least a two month lead time so as to allow for delivery from Toyota Tanzania and subsequent conversion into a safari model vehicle. If imported from overseas, a similar time frame would be required for shipping and clearing. These activities are typically done during the low season when vehicle utilization is lower and management focuses on preparing for the new season.

10.0 FINANCIALS AND PROJECTIONS

Takims Holidays Tours & Safaris Ltd									
	Audited 2014	Audited 2015	Audited 2016	Audited 2017	Income Statement Mgmtm Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
Turnover	2,115,654,086	1,724,325,702	2,183,156,726	2,766,539,375	3,280,936,460	3,838,695,658	4,529,660,877	5,254,406,617	6,121,383,709
Cost	(1,190,000,645)	(899,370,089)	(1,194,587,459)	(1,692,378,145)	(2,109,696,652)	(2,468,345,083)	(2,912,647,198)	(3,378,670,749)	(3,936,151,423)
Gross profit	925,653,441	824,955,613	988,569,267	1,074,161,230	1,171,239,808	1,370,350,575	1,617,013,679	1,875,735,868	2,185,232,286
Selling and distribution costs	(102,081,325)	(138,805,529)	(202,624,159)	(131,573,842)	(171,065,183)	(200,146,264)	(236,172,592)	(273,960,206)	(319,163,640)
Administrative expenses	(568,627,123)	(487,248,034)	(562,504,705)	(653,947,420)	(652,784,145)	(763,757,450)	(901,233,791)	(1,045,431,197)	(1,217,927,345)
Depreciation	(186,044,544)	(248,963,272)	(360,252,854)	(356,018,813)	(400,000,000)	(400,000,000)	(400,000,000)	(400,000,000)	(400,000,000)
Other income	26,640,657	18,545,253	135,293,780	97,710,634	98,402,010	100,000,000	101,500,000	102,000,000	103,000,000
Operating profit	95,541,106	(31,515,969)	(1,518,671)	30,331,789	45,792,490	106,446,862	181,107,297	258,344,464	351,141,301
Foreign exchange gain/loss				(8,224,144)	(5,331,354)	(8,000,000)			
Finance cost	(3,575,960)	(5,100,767)	(7,254,198)	(4,024,418)	(585,028)	(650,000)	(1,000,000)	(800,000)	(800,000)
Profit before tax	91,965,146	(36,616,736)	(8,772,869)	18,083,227	39,876,108	97,796,862	180,107,297	257,544,464	350,341,301
Income tax expense/credit	(27,631,739)	10,835,021	2,481,860	(5,604,968.00)	(11,962,832.40)	(29,339,058.48)	(54,032,189.01)	(77,263,339.25)	(105,102,390.22)
Profit after tax	64,333,407	(25,781,715)	(6,291,009)	12,478,259	27,913,276	68,457,803	126,075,108	180,281,125	245,238,911

Takims Holidays Tours & Safaris Ltd									
	Audited 2014	Audited 2015	Audited 2016	Balance Sheet Audited 2017	Mgmtm Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
ASSETS									
Non-current assets									
Property, plant and equipments	1,183,309,196	3,771,558,591	3,798,734,967	4,672,590,551	5,416,830,230	5,443,914,381	5,471,133,953	5,498,489,623	5,525,982,071
Current asstes									
Inventories	2,413,540	2,547,349	3,046,517	7,086,426	-	-	-	-	-
Trade and other receivables	1,125,174,927	781,361,963	1,016,692,116	1,152,291,903	485,982,234.00	510,281,345.70	663,365,749.41	829,207,186.76	995,048,624.12
Cash and cash equivalents	73,844,421	72,185,821	202,991,425	84,976,488	652,920,637.00	620,274,605	589,260,875	559,797,831	531,807,940
	1,201,432,888	856,095,133	1,222,730,058	1,244,354,817	1,138,902,871	1,130,555,951	1,252,626,624	1,389,005,018	1,526,856,564
Total assets	2,384,742,084	4,627,653,724	5,021,465,025	5,916,945,368	6,555,733,101	6,574,470,332	6,723,760,577	6,887,494,641	7,052,838,635
EQUITY AND LIABILITIES									
Equity									
Share capital	51,200,000	51,200,000	51,200,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Revaluation reserves	154,638,368	2,362,783,519	2,244,644,343	2,132,412,126	2,132,412,126	2,132,412,126	2,132,412,126	2,132,412,126	2,132,412,126
Retained earnings	482,948,946	465,614,050	577,462,218	652,056,945	679,970,221	748,428,024	874,503,131	1,054,784,256	1,300,023,167
Total equity	688,787,314	2,879,597,569	2,873,306,561	3,284,469,071	3,312,382,347	3,380,840,150	3,506,915,257	3,687,196,382	3,932,435,293
Non - current liabilities									
Deferred tax	76,948,944	53,324,078	50,842,218	35,269,268	50,842,218	50,842,218	50,842,218	50,842,218	50,842,218
Borrowings	339,101,771	140,335,101	210,574,717	148,639,535	514,920,972	428,785,618	339,526,816	373,479,498	410,827,447
	416,050,715	193,659,179	261,416,935	183,908,803	565,763,190	479,627,836	390,369,034	424,321,716	461,669,665
Current liabilities									
Trade and other payables	1,280,463,302	1,552,769,681	1,903,292,908	2,463,150,626	2,689,550,397	2,743,341,405	2,880,508,475	2,853,239,882	2,763,836,066
Taxation	(599,247)	1,627,294	(16,551,379)	(14,583,132)	(11,962,832)	(29,339,058)	(54,032,189)	(77,263,339)	(105,102,390)
Total liabilities	1,279,904,055	1,554,396,975	1,886,741,529	2,448,567,494	2,677,587,565	2,714,002,346	2,826,476,286	2,775,976,543	2,658,733,676
Total equity and liabilities	2,384,742,084	4,627,653,723	5,021,465,025	5,916,945,368	6,555,733,101	6,574,470,332	6,723,760,578	6,887,494,641	7,052,838,634
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Takims Holidays Tours & Safaris Ltd									
Cash flow statement									
	Audited 2014	Audited 2015	Audited 2016	Audited 2017	Mgmt Projection 2018	Projection 2019	Projection 2020	Projection 2021	Projection 2022
Operating activities									
Cash generated / (used) from operation	(7,444,535)	828,332,070	456,077,714	793,567,425	692,659,070	647,434,736	711,220,410	683,771,405	680,808,851
Provisional tax paid	(11,400,000)	(9,000,000)	(9,000,000)	(9,540,000)	(9,300,000)	(9,700,000)	(10,000,000)	(10,250,000)	(10,500,000)
Prior year's tax paid	(289,100)	(55,543,212)	(1,627,293)	(50,526,947)	(1,988,062)	(2,300,000)	(2,100,000)	(2,500,000)	(2,550,000)
W/tax deducted by customers	(956,450)	(2,162,552)	(7,551,380)	(9,649,856)	(10,388,911)	(10,388,911)	(10,388,911)	(10,388,911)	(10,388,911)
Net cash increase / (decrease) from operation	(20,990,085)	761,626,306	437,899,041	723,850,622	670,982,097	625,045,825	688,731,499	660,632,494	657,369,940
Investment activities									
Purchase of property, plant and equipments	(229,906,544)	(564,518,236)	(389,086,493)	(1,232,120,432)	(398,784,283)	(673,330,403)	(768,078,373)	(613,397,686)	(684,935,487)
Proceeds from disposal of assets	10,000,000	-	11,753,440	3,389,831	100,980,000	-	15,000,000	-	15,000,000
Net cash used in investing activities	(219,906,544)	(564,518,236)	(377,333,053)	(1,228,730,601)	(297,804,283)	(673,330,403)	(753,078,373)	(613,397,686)	(669,935,487)
Financing activities									
(Decrease) / increase in borrowings	-	-	-	448,800,226	-	-	-	-	-
(Decrease) / increase in financing activities	-	-	-	448,800,226	-	-	-	-	-
Movement in cash and cash equivalents									
Cash and cash equivalents at the start of the year	(25,260,721)	(265,257,350)	(68,149,281)	(7,583,292)	(63,663,047)	652,920,637	620,274,605	589,260,875	559,797,831
Increase / (decrease) in cash and cash equivalents	(239,996,629)	197,108,069	60,565,989	(56,079,755)	716,583,684	(32,646,032)	(31,013,730)	(29,463,044)	(27,989,892)
Cash and cash equivalents at the end of the year	(265,257,350)	(68,149,281)	(7,583,292)	(63,663,047)	652,920,637	620,274,605	589,260,875	559,797,831	531,807,940

11.0 CONCLUSION

Upon approval of this business plan by the TIC, we intend to fully implement all our initiatives. In doing so, we expect to fulfill the following strategic objectives that will contribute positively to our overall bottom line, and our total foreign exchange generation

1. Invest in vehicle fleet so that we can offer high quality services that our customers have come to expect of us. Establish our coverage to offer safaris to all the national parks of Tanzania, particularly the much neglected South and Western Parks which lack marketing, visibility abroad and infrastructure.
2. Become a leading Tanzanian logistics and ground operations provider to the cruise industry leveraging our expertise in safaris and beach holidays to provide value added on shore excursions in Tanzania.
3. Promote Tanzania and our firm's Internet presence by increasing the number of visitors to our website. This will lead to an increase in direct bookings that tend to be of longer duration and higher revenue.
4. Deepen and widen market penetration. Enter newer markets.

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