

NEW AGE HOSPITALS TANZANIA LIMITED

**A BUSINESS PLAN FOR ESTABLISHING A
MULTI SUPER SPECIALITY HOSPITAL**

1/18/2025

1.0. Executive Summary

NEW AGE HOSPITALS TANZANIA LIMITED is a start-up company planning to offer a wide range of advanced medical test and advanced treatments in Tanzania

The Market

NEW AGE HOSPITALS TANZANIA LIMITED will target insurance carriers and private/public health centres to capture all kind of customers . Insurance carriers and private/public health centres use a bid submittal process to set up contracts with the various medical scan service providers. In today's medical environment these contact are key because 99% of the medical services done are billed through insurance. Insurance companies therefore are the great keepers to this process. NEW AGE HOSPITALS TANZANIA LIMITED recognizes the importance of getting Insurance carriers and private/public health centres approval and will work hard to get approved by all popular insurance plans.

Once NEW AGE HOSPITALS TANZANIA LIMITED has been approved by an Insurance companies and private/public health centres, it will rely own professional doctors and physicians to provide best services their patients in NEW AGE HOSPITALS TANZANIA LIMITED. Doctors make referrals based on several factors including geographic location/convenience who they know, accepted forms of insurance, type of scan, etc. It will be important to have a strong marketing and sales campaign that alerts referring patients to NEW AGE HOSPITALS TANZANIA LIMITED's services.

Services

NEW AGE HOSPITALS TANZANIA LIMITED will offer a wide range of medical services with advanced medical care with advanced medical equipment's. NEW AGE HOSPITALS TANZANIA LIMITED has the latest equipment and the expert medical training to interpret and provide valuable consultation to the physician who make the patient referrals to NEW AGE HOSPITALS TANZANIA LIMITED.

Management

NEW AGE HOSPITALS TANZANIA LIMITED will be lead by qualified doctor who has received her/his medical degree with a specialization in hospital management from the recognized medical school..

Mission

It is NEW AGE HOSPITALS TANZANIA LIMITED's mission to be recognized as the leader in medical service with high technology in Dar es Salaam. This will be achieved by friendly service, flexible acceptance of insurances plans, and accurate analysis.

1.1. Objectives

- To capture 40% of local physician' business within two years
- To reach profitability within two years
- To double sales by year three

1.2. Keys to Success

- Only purchase medical equipment that has demand within the community
- Provide fast, friendly service with accurate readings.
- Employ strict financial controls to help manage the expensive capital costs associated with medical imaging equipment.

2.0. COMPANY SUMMARY

NEW AGE HOSPITALS TANZANIA LIMITED has been formed as a Tanzania company. It is solely owned by Nishant Mishra and Aswanth Lambodaran Bindhu.

2.1 Start-up Summary

NEW AGE HOSPITALS TANZANIA LIMITED will need to purchase the necessary equipment for the hospital.

- Brand new Office furniture for four exam rooms
- Brand new Receptionist Office furniture and assorted waiting room furniture
- Three computers, one with QuickBooks Pro, all with Microsoft Office, a central laser printer and broadband internet connection.
- Medical medical devices:
- Other hospital equipment's and devices

Investment Breakdown

Start-up Requirements	
Land and Building	707,500
Plant/Equipment's	8,391,000
Vehicles	864,000
Furniture/Fittings	2,122,000
Pre-Expenses	72,500
Working Capital	1,434,000
Total Requirements	13,591,000

2.2. Company Ownership

Nishant Mishra and Aswanth Lambodaran Bindhu are the stockholders of the NEW AGE HOSPITALS TANZANIA LIMITED.

3.0. SERVICES

NEW AGE HOSPITALS TANZANIA LIMITED will offer Dar es Salaam advanced medical care with advance medical equipment. Due to the high costs of hospital equipment for occasional use, most small clinics and practices use an outside service provider for medical needs. The following scans will be offered.

- X-Ray: An X-ray uses invisible electromagnetic energy beams to produce images of internal tissues, bones, and organs on film. X-rays are used for numerous reasons but work best to find turners or bone injuries.
- Ultrasound: This technology sends sound waves into the body, recording the reflection. Ultrasound is used for a detailed assessment of blood flow and for views of soft tissue and anatomical body structure.

- **CAT Scan:** This is a diagnostic technology that uses a combination of x-rays and computer technology to produce cross-sectional images (“slices”) in a horizontal and vertical orientation. A CAT scan can show detailed images of any part of the body including bones, muscles, fat, and organs. CAT scans are more detailed than traditional x-rays and have low releases of radiation. CAT scans are often used to diagnose tumors, evaluate internal bleeding or investigate internal injuries or damage.
- **MRI:** This technology harnesses magnetic energy. The reaction by the body when the bed where magnetic fields are applied to the body. The reaction by the body when the magnetic fields are applied and relaxed is noted by a computer which has been recording data throughout the process. MRIs are the premier medical device for extremities, especially joints, as well as for imaging the upper spine and lower back.

Diagnostic medical requires proper analysis by a radiologist to analyze the scans.

4.0. Market Analysis Summary

NEW AGE HOSPITALS TANZANIA LIMITED has identified two customer segments that they will target: medical Insurance carriers and private/public health centres and physicians. For many patients the Insurance companies and private/public health centres mandates who can provide medical services. Therefore the driving force to getting customers in attracting the large Insurance carriers and private/public health centres. NEW AGE HOSPITALS TANZANIA LIMITED has been in negotiations with the three largest carriers in the state and all have informally accepted NEW AGE HOSPITALS TANZANIA LIMITED’s bid proposal.

The second customer group is the physicians. While the Insurance companies and private/public health centres will mandate what labs are acceptable for their insurances plan, it is the doctor’s choice where they recommend their patients goes.

4.1 Market Segmentation

NEW AGE HOSPITALS TANZANIA LIMITED will target largest medical Insurance carriers and private/public health centre.

NEW AGE HOSPITALS TANZANIA LIMITED has been involved in negotiations with these Insurance carriers and private/public health centres to develop an arrangement for NEW AGE HOSPITALS TANZANIA LIMITED to be an approved facility. The next step is the submission of a bid, which is primarily based on price. The lab must agree to rates that the insurance companies have set forth. A secondary consideration is the ability of the lab to adhere to specific filling and billing procedures.

The second target market segment is physicians. Physicians make referrals based on numerous factors including.

- Who they know
- Who the patient’s Insurance companies and private/public health centres is.
- What type of scan the patient is receiving
- Convenience of location relative to their office or to the patient’s home.

Market Analysis (Pie)

Market Analysis							
		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Insurance companies	1%	21	21	21	21	21	0.00%
Physicians	4%	235	244	253	264	275	4.01%
Total	3.70%	256	265	275	285	295	3.70%

4.2. Target Market Segment Strategy

The insurance companies decide what medical facilities are acceptable relative to their insurance plan. Once the facility has been approved the approval is typically good for one to two years at which point a new bid must be submitted.

Physicians direct the patient to where they must go for their medical. Because NEW AGE HOSPITALS TANZANIA LIMITED is located within a professional building with many doctors, this level of convenience with often prompt the

doctor to immediately recommend NEW AGE HOSPITALS TANZANIA LIMITED.

The medical imaging industry operates under two models: a large clinic or practice that purchases the equipment for the use of their physicians and outside service providers.

Only large clinics and practices can justify buying their own medical equipment. For a small clinic or practice, the high equipment cost with low use rate makes cost per use expensive.

NEW AGE HOSPITALS TANZANIA LIMITED's direct competitors offer their services to all physicians and accept a wide range of insurance plans. These competitors rarely offer services beyond medical imaging test and radiologist analysis. The medical industry can be profitable if there is not over capacity of the medical machines in the area. A profitable capacity is to have approximately five MRIs and other check ups for every 400,000 people.

4.3.1 Competition and Buying Patterns.

There are nine direct competitors in the area. The large ones are detailed below:-

- Aga Khan Medical Center: This company operates three centers of Imaging equipment. This company is large, while they offer competent radiologist analysis, the setting is somewhat factory like where patients become numbers who are shuffled through.
- Medical: This is a small facility with one part time radiologist on staff. They only have an MRI and CAT scan, they do not offer any other types of imaging services.
- Imaging: This facility is similar to NEW AGE HOSPITALS TANZANIA LIMITED but is located on the near side of town, a 15 minute drive away, therefore this facility seems to serve a more regional customer base due to their non-centralized location.

NEW AGE HOSPITALS TANZANIA LIMITED also has indirect competition from clinics and large practices with their own medical equipment. This group does not serve outside physicians so it is only a threat if they recruit doctors that use NEW AGE HOSPITALS TANZANIA LIMITED, away from private practice.

5.0. Project Implementation Strategy

NEW AGE HOSPITALS TANZANIA LIMITED will leverage its competitive edge of having the most advanced equipment with a seasoned, nationally recognized radiologist providing all of the analysis. NEW AGE HOSPITALS TANZANIA LIMITED will employ a marketing strategy that will communicate the message that will offer state of the art technology and medical analysis, developing an awareness regarding NEW AGE HOSPITALS TANZANIA LIMITED's strengths and distinctiveness.

There is not a significant amount of work that needs to occur to market to the insurance companies. This activity is handled by bid submission. Most activities directed at the insurance companies will occur through the sales campaign. NEW AGE HOSPITALS TANZANIA LIMITED will also embark on a sales strategy that has the goal of converting qualified doctors into referring doctors, NEW AGE HOSPITALS TANZANIA LIMITED's source of patients. The following three sections provide this analysis.

5.1 Competitive Edge

NEW AGE HOSPITALS TANZANIA LIMITED will have a nationally recognized expert radiologist in charge of all analysis. Qualified doctor, who has been practicing radiology for 13 years, published over 14 articles in renowned medical journals and is often asked to be a speaker at national engagements. A medical imaging scan is only as good as the analysis of the scan, therefore it is of significant value to offer a service where you have a nationally recognized expert offering the consultation to the referring doctor.

5.2 Marketing Strategy

NEW AGE HOSPITALS TANZANIA LIMITED will use several methods to communicate that it will offer the most advanced technology and the best expert

radiology analysis. This message will be communicate through various methods:

- **Yellow Pages:** While the Yellow Pages are not as targeted as other methods of communication, these advertisements will be necessary as many people turn to the pages when they do not have a specific service provider in mind. The ads are proven to be cost effective.
- **Circulars:** These will be pamphlets that are sent out to local physicians. The phamplet will serve to introduce NEW AGE HOSPITALS TANZANIA LIMITED and details the different services that it will offer. It will also provide information on qualified doctor and will include background into her provide information on qualified doctor and will include background into her professional accomplishments and activities.
- **Networking:** The Centre recognizes the importance of networking, getting to know the physicians that work in Dar es Salaam. A high percentage of referrals are made based on personal and professional contacts so networking is a very effective method of increasing the number of referrals. Doctor in charge will be active in numerous organizations and committees that are present within the medical community.

5.3 Sales Strategy

NEW AGE HOSPITALS TANZANIA LIMITED's sales strategy will be to convert a qualified lead into a referring physician. This will be done through the emphasis of Doctor in charge' strength and expertise in the field of radiology. The medical laboratories service both patients and doctors.

For patients the medical must be convenient, pleasant and accept most insurance plans. For physicians, it must be a high-quality radiologist analysis. The better the analysis, the more accurate information that the radiologists can offer in the consultation to the referring physician.

NEW AGE HOSPITALS TANZANIA LIMITED will be networking with various Insurance carriers and private/public health centre. The first step is to

determine who the key contact at the Insurance companies and private/public health centres is. These contacts will be useful in providing information on what is expected in the submitted bid.

5.3.1 Sales Forecast

The sales forecast adopts a conservative approach to projecting future sales. As a start-up organization, NEW AGE HOSPITALS TANZANIA LIMITED recognizes that sales will be slow initially but by the seventh month sales will be steady and grow as the marketing efforts are developed.

The sales forecast is broken down by the type of service provided and displayed in the following table. The charts give a visual representation of monthly and yearly figures.

Sales Forecast			
	Year 1	Year 2	Year 3
X-ray	\$ 124,292	\$ 130,500	\$ 143,550
Ultrasound	\$ 73,332	\$ 77,000	\$ 84,700
CAT-Scan	\$ 136,721	\$ 143,000	\$ 157,300
MRI	\$ 87,999	\$ 92,000	\$ 101,200
Total Sales	\$ 422,344	\$ 442,500	\$ 486,750
Direct Cost of Sales	Year 1	Year 2	Year 3
X-ray	\$ 28,587	\$ 30,000	\$ 30,900
Ultrasound	\$ 16,866	\$ 18,000	\$ 18,540
CAT-Scan	\$ 31,446	\$ 33,000	\$ 34,000
MRI	\$ 20,240	\$ 21,300	\$ 22,000
Subtotal Direct Cost of Sales	\$ 97,139	\$ 102,300	\$ 105,440

5.4 Milestones

NEW AGE HOSPITALS TANZANIA LIMITED has chosen several quantifiable milestones that have been developed as goals for the organization to achieve. The following table details the specific milestones, the time frame that has been

estimates for completion of the milestone and the specific employee responsible.

Web Plan Summary

NEW AGE HOSPITALS TANZANIA LIMITED will set up a website which will provide information regarding the services offered and Doctor in charge professional experience.

6.1 Website Marketing Strategy

NEW AGE HOSPITALS TANZANIA LIMITED will use two simple marketing techniques to alert prospective customers to the site. The first is the prominent display of the Web address on all literature that NEW AGE HOSPITALS TANZANIA LIMITED has. The second is submitting NEW AGE HOSPITALS TANZANIA LIMITEDs website URL to multiple search engines. This will ensure that if a customer types “**MULTI SUPER SPECIALITY HOSPITAL**” into a search engine and they would be brought to Centres Website.

6.2 Development Requirements

The website will be designed and built by a local computer science student.

6.0. NEW AGE HOSPITALS TANZANIA LIMITED will be lead by qualified doctor. Doctor in charge who has received her medical degree from the world renowned health university for their radiology.

7.1 Personnel Plan

NEW AGE HOSPITALS TANZANIA LIMITED will require the following positions/responsibilities

- Doctor in Charge: In addition to being the resident radiologist, she/he will also be responsible for business development and some marketing and sales.
- Technicians: Four people will be responsible for the operation of the machines.

- Administration: Two people will be responsible for the clerical duties and book keeping.

Personnel Plan	Year 1	Year 2	Year 3
Doctor in charge	\$ 60,000	\$ 61,800	\$ 63,654
Technicians	\$ 48,000	\$ 49, 440	\$ 50,923
Other	\$ 19,200	\$ 19,776	\$ 20,269
Total People	15	15	20
Total Payroll	\$ 127,200	\$ 131,016	\$ 134,846

7.0. Financial Plan

The following sections will outlines the financial planning for NEW AGE HOSPITALS TANZANIA LIMITED.

7.1. Important Assumptions

The following table details important Financial Assumptions.

PROJECTED INCOME STATEMENT						
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEARS
Sales Revenue		19,706,950	23,648,340	28,378,008	34,053,610	40,864,332
Cost of Sales		3,941,390	3,941,390	3,941,390	3,941,390	3,941,390
Gross Profit		15,765,560	19,706,950	24,436,618	30,112,220	36,922,942
Operating Expenses						
Administrative Overhead						
Costs		145,180	146,632	148,098	149,579	151,075
Motor Vehicle running		166,000	167,660	169,337	171,030	172,740
Salaries and Wages		344,380	347,824	351,302	354,815	358,363
Depreciation		3,676,425	3,713,189	3,750,321	3,787,824	3,825,703
Utility Costs		102,300	103,323	104,356	105,400	106,454
Insurance		339,775	343,173	346,604	350,071	353,571
Interest on Loan		644,860	651,309	657,822	664,400	671,044
Total Expenses		5,107,740	5,158,817	5,210,406	5,262,510	5,315,135
Profit before Tax		10,657,820	14,548,133	19,226,212	24,849,710	31,607,807
Tax (30%)		3,197,346	4,364,440	5,767,864	7,454,913	9,482,342
Profit After Tax		7,460,474	10,183,693	13,458,349	17,394,797	22,125,465

General Assumptions			
	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%
Other	0	0	0

7.2. Break-even Analysis

The Break-even Analysis indicates what is needed in monthly revenue to reach the break-even point.

Break-even Analysis	
Monthly Revenue Break-even	\$10, 404,582
Assumptions:	
Average Percent Variable Cost	23%
Estimated Monthly Fixed Cost	\$ 7,431,248

7.3. Projected Balance Sheet

The following table and charts will indicate Projected Balance Sheet.

PROJECTED BALANCE SHEET						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
Fixed Assets	12,084,500	8,408,075	6,424,250	4,440,425	2,456,600	
Long term Assets						
Depreciation	3,676,425	1,983,825	1,983,825	1,983,825	1,983,825	
Total long term assets	8,408,075	6,424,250	4,440,425	2,456,600	472,775	
Current Assets						
Cash	406,100	684,700	979,050	1,292,735	1,625,723	
Account Receivable	105,000	110,250	216,535	421,763	527,628	
Inventory	214,710	376,383	438,469	402,292	467,493	
Total Current Assets	1,506,500	1,506,500	1,506,500	1,506,500	1,506,500	
Total Assets	9,914,575	7,930,750	5,946,925	3,963,100	1,979,275	
Current Liabilities						
Accounts Payable	84,000	88,200	92,610	97,241	102,103	
Other Current Liablit	70,000	73,500	77,175	81,034	85,085	
Subtotal Current Liabi	154,000	1,616,700	169,785	178,274	187,188	
Long term Liabilities						
Long term Liabilitie	1,820,000	1,820,000	1,820,000	1,820,000	1,820.00	
Total Liabilities	8,408,075	6,424,250	4,440,425	2,456,600	472,775	
Net Assets	820,810	877,633	951,268	1,044,516	1,157,656	
Captil and Reserves						
Owners Contribution	780,000	780,000	780,000	780,000	780,000	
Retained Earning	40,810	97,633	171,268	264,516	377,656	
Total Capital	9,914,575	7,930,750	5,946,925	3,963,100	1,979,275	

7.4. Projected Income Statement

The following table and chart will indicate Projected Income

PROJECTED INCOME STATEMENT						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEARS5	
Sales Revenue	19,706,950	23,648,340	28,378,008	34,053,610	40,864,332	
Cost of Sales	3,941,390	3,941,390	3,941,390	3,941,390	3,941,390	
Gross Profit	15,765,560	19,706,950	24,436,618	30,112,220	36,922,942	
Operating Expenses						
Administrative Overhead						
Costs	145,180	146,632	148,098	149,579	151,075	
Motor Vehicle running	166,000	167,660	169,337	171,030	172,740	
Salaries and Wages	344,380	347,824	351,302	354,815	358,363	
Depreciation	3,676,425	3,713,189	3,750,321	3,787,824	3,825,703	
Utility Costs	102,300	103,323	104,356	105,400	106,454	
Insurance	339,775	343,173	346,604	350,071	353,571	
Interest on Loan	644,860	651,309	657,822	664,400	671,044	
Total Expenses	5,107,740	5,158,817	5,210,406	5,262,510	5,315,135	
Profit before Tax	10,657,820	14,548,133	19,226,212	24,849,710	31,607,807	
Tax (30%)	3,197,346	4,364,440	5,767,864	7,454,913	9,482,342	
Profit After Tax	7,460,474	10,183,693	13,458,349	17,394,797	22,125,465	

