

MAULY TOURS AND SAFARIS
LIMITED
P.O.BOX 1315
MOSHI

BUSINESS PLAN FOR EXPANSION AND
ACQUISITIONS OF CAPITAL GOODS

Prepared by:

*Munira S. Mauly
Moshi*

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1.0 Background

Maulu Tours and Safaris Limited has been recognized for unmatched professionalism in the tourism industry, ever since inception in the early eighties. Contented individuals, families and large cosmopolitan groups of local international clients have elevated the company to the status of premier tour operator in Tanzania. The company is involved in provision of a comprehensive selection of tours that are tailor made to suit schedule of their clients, covering all the regions of Tanzania, regular track or lesser-known places that are culturally rich and naturally endowed.

The continued great performance of the Maulu Tours and Safaris Limited, the tourism company and the rapid growth of the tourism industry created an opportunity for some of the company to diversify and start a travel section.

Maulu Tours and Safaris Limited is a private limited company incorporated in Tanzania under the Companies Act, 2002. The company was incorporated on 24th November 1983 with Certificate of Incorporation number 9671.

The company's main line of business is Tourism, Mountain Treks and Airline ticketing to all the National Parks and ticketing to tourism clients and other clients from Tanzanian owned corporate companies and individuals.

1.1 Location

The head office of the company is located at Boma road in Moshi Municipality. The company also has a branch office in Arusha City which is located on Sokoine Road at TFA Shopping Center.

2.0 Board of Directors and Ownership

The owners of the company; and the overall Governing Body is the Board of Directors, composed of shareholders. The Board is made up of the Chairman and Directors. The present shareholders comprise the following: -

SN	Full Names	No. of Shares	% of Shares
1.	Shariffa Ali Hemed	167,440	27%
2.	Farida Salim Maulu	45,640	7%
3.	Mozzah Salim Maulu	57,114	9%
4.	Munira Salim Maulu	305,640	49%
5.	Samira Salim Maulu	45,640	7%
	Total	621,474	100%

3.0 Management

A Board of Directors manages Maulu Tours and Safaris Limited. This comprises two of the board members and other employed officials. The Board formulates and determines the policy and strategic direction of the Company. The overall in charge of management of the company is the Managing Director who is Mozzah Maulu. She reports to the Board of Directors. Since inception, the company has benefited considerably from the dynamic leadership of the present managing director who has been very successful in combining the twin functions of policy making and administration.

Maulu Tours and Safaris Limited top management has long experience in the tourism industry and Airline Ticketing. Other operatives that have been employed include Finance Director, Chief Accountant and Operations Manager.

Middle level staffs have also been employed, including Marketing and reservation officers, and customer attendants, mountain climbing experts, sales staffs, and safari driver. All these and supporting staff are a dedicated team of highly trained and experience people in their respective

fields and are committed to providing quality services and on-time delivery to meet client needs.

3.1 Management Team

MOZZAH SALIM MAULY

Born in 1976, Mozzah is the Managing Director of Muly Tours and Safaris Limited. She is one of the shareholders owning 9% shares. She is the spokesperson of the Company and the overall in charge of all company affairs. She is an experienced tours and travel specialist who started her career working for the family business Muly Tours. Mozzah Muly has over twenty years of experience in this field and has successfully guided the company to the present status. She holds a Bachelor degree in Business management at Portsmouth University.

MUNIRA SALIM MAULY

Born in 1978, Munira is one of the other four directors of the company with 49% shares in the company. She is the Financial Directors of the company in charge of all financial affairs of the company. She holds an Advance diploma in accountancy from Masoka Training College.

RIAZ H. ANSAREE

Born in 1968, Mr. Riaz Ansaree is the Chief Accountant of the company. He is an accredited Certified Public Accountant. He is in charge of all the accounting issues of the company.

NADIR HADI JADAVJI

Born in 1977, Nadir is operations manager of the Company. He is in charge of all Mountain operations since 2007.

FARIDA SAID HILAL

Born in 1985, Farida is also a sales and reservations officer of the company. She

is in charge of all reservations for the company. She holds a Diploma in sales and marketing, a certificate in Tourism and Travel, and a Certificate in IATA and Galileo.

DOROTHY CHACHA

Born in 1982, Dorothy is a sales officer of the company. She is in charge of Airline ticket sales for the company. She holds a Certificate in IATA and Galileo.

STELLA NGOWI

Born in 1976, Stella is also a sales officer of the company. She is in charge of Airline ticket sales for the company. She holds a Diploma in sales and marketing, a Certificate in Tourism and Travel, and a Certificate in IATA and Galileo

3.2 SUCCESSION PLANNING

Maully Tours and Safaris Limited operates as a limited company with five shareholders and an appointed Management Team. Two out of the five shareholders play active role in the business. The other Directors will take turns in leading the Company over span of 3 years in case of anything. Vacant positions will be filled by recruiting competent personnel from the market.

3.2.1 Employees

The most important long-term investment is the human resource. These are responsible for the standard of services it offers to its customers. It is expected that additional people will be employed based on company's growth and need to come. At present the Company has almost 35 full time employed staff. We also tend to almost 300 mountain crew members (Porters and Guides) who are on temporary basis.

3.2.2 Future investment

The investment for future growth is not only through expansion of services, but also through creating the right environment for the Company to flourish. The Company welcomes the initiative of its employees in developing new services that utilize, develop and enhance their resources and skills. The Company growth always require investing in acquisition of new Assets e.g. **new vehicles for Tourism, Building materials for new Office, mountain camping equipment etc.**

3.2.3 Training

Maully Tours and Safaris Limited is committed to promoting and fostering employee development, with increasing emphasis being placed on internal career promotion. Management staff will continue to receive regular briefing and encouragement to present these to their subordinates, so that all employees are kept informed of overall performance and strategies.

In this way, it provides and will continue to provide new employees with intensive training immediately after recruitment. Internal training is to cover both the professional and practical aspects of the Company's' ideals and ways of operations and will be conducted by the Management assisted by senior and experienced employees.

3.2.4 Remuneration Policy

The shareholders believe that good working conditions benefit both the workers and the Company. The Company's remuneration packages are therefore designed to attract, motivate and retain employees of the right caliber and to reward them for enhancing value for shareholders. The policy then, is as follows:

- To pay base salaries which reflect the size, performance and contribution of individual job holders. To this end, it usually seeks advice from external sources to help assess levels paid in comparable organizations;
- To operate an annual incentive plan, relating cash bonuses to pre-determined performance goals;

3.3 Economic Impact

The company's main economic benefits to the country are as follows:

- a) Employment - Mauty Tours and Safaris expansion program is expected to create additional employment for many people who are indirectly employed i.e. Guides and porters; This means that the income and social wellbeing will thereby improve;
- b) The investment will generate commercial spin-offs for fuel and provision suppliers;
- c) There will be a general rise in living standards for people living in the surroundings through job opportunities and improvement in infrastructure and the facilities of the area;
- d) Workers will likely benefit from better than average salaries improved social and health security, and access to credit and saving schemes.

- e) Government revenue; The Government derive an additional variety of taxes from the operations of Mauly Tours and Safaris Limited.
- f) Foreign Exchange Earnings: Improved foreign earnings will better the external trade balance.

3.4 Environmental impact

The Company's operations will have no negative impact on the environment. Contributions to sustainable conservation is valued and therefore taken seriously. The Company appreciates the need to protect the environment.

4.0 Company Objectives

While the primary goal is to provide quality services to various tourist customers, Tanzanian citizens and satisfying their needs in the process, the secondary one is to increase the shareholders' value as measured by earnings and dividends growth by applying Mauly Tours and Safaris Limited management methods and philosophy.

4.1 Keys Success Factors

The keys to success have undoubtedly been the effective market segmentation, identification of several niche markets and implementation of well thought out and designed strategies. Along these lines, the company believes that its past and future success will largely depend on a handful of important operating principles: -

- Striving primarily for quality services rather than not quantity;
- Having the best sales team in the business;
- Focusing on adding new contracts with new tourism and airlines customers in the market

- Having Directors with practical experience acquired from other companies in the industry.
- Being aware of the existence of potential opportunities in Tanzania

4.2 Risk Factors

There are several risks, which may impact the operations of the Company. Below are some of better known to the Management and include:

- **Inflation risk-** There is a potential risk that inflation might rise again. This is apt to increase the replacement cost and reduce the capital capacity. Also likely is the cost of local borrowing increasing with the increase of inflation. While this risk is ever present in development economies such as Tanzania, the Government appears committed to continue maintaining the macroeconomic stability.
- **Exchange rate risk-** Some tour and ticket pricing are also done in Us dollars. Given that overdraft facility will be drawn in dollars, its depreciation against other major currencies may not impact the business. However, a depreciation of the Tanzania shilling against the dollar will favor the business since revenues will remain in terms of dollars while operating costs are denominated in the local currency;
- **Political risk.** There is a risk that the Central Government or Local Authority could adopt/implement policies that impact the tourist and travel business. However, this risk has been gradually eroded since mid-1980s when the Government embarked on the process of economic reform towards free market.
- **Intensified competition in the travel sector.** This sector appears to be among the fastest growing economic sector in the country and has shown an improving trend. The reason is because it complements the tourism

sector which is one of the fastest growing industries in the country. It would not be surprising; therefore, if some other businessmen started new ticketing businesses like the Mautu Tours and Safaris Limited. The profitability may thus be strained if there is intensified competition in the industry.

But, since the barrier to entry into this business is very high, in terms of financing, knowledge and experience which Mautu Tours and Safaris Limited has a competitive advantage in, it places the Company way ahead of any competitors that may decide to follow the lead.

- **Terrorism acts.** Although September 11 created the biggest crisis the tourism industry has ever experienced and had an immediate and dramatic impact on air-passengers, this has eroded overtime and does not pose much risk to the company.

These risks notwithstanding, it is hoped that the Management will successfully steer the operations of Mautu Tours and Safaris Limited either off or through any of those that will be faced in the future. This optimism arises out of the fact that the owners and Management of Mautu Tours and Safaris Limited are astute business women who have so far run their businesses very successfully.

5.0 Market/Clients

Potentially, Tanzania is one of rich country in natural resource, the tourism industry is becoming an increasingly important player in the economy and may, in the long term, prove even more valuable than mineral resources in earning foreign exchange. This being a complementing business to the travel industry, Mautu Tours and Safaris Limited expect to increase their market share substantially.

The major clients of the company are;

- Moja Travel
- Geographical Tours
- Let's Go Tours
- Houser
- X Trip Tours
- Bulyanhulu Gold Mine Limited
- Hauser Exkursionen GmbH

- IPP Limited

- Bonite Bottlers Ltd
- Ministry of Finance
- Ministry of Natural Resources
- Altezza Travel limited
- President's Office
- Alpenschule Innusbruck GmbH
- Tanzania National Park
- Pat Falvey
- Seed Group Chicago
- Geo Discovery - Germany

5.1 Market Strategies

Maulu Tours and Safaris Limited expansion program's principal objectives are: -

- To meet the current and expected demand in future with the same zest while maintaining the same level of efficiency and quality improvements to attract more up-market clientele.
- To continuously provide enjoyable quality services on time and on budget.
- To ensure that the existing Maulu Tours and Safaris Limited reputation is maintained in order to increase the market share.
- Establish a market presence that assures short-term and long-term profitability, growth and success.

In order to attain these objectives, Maulu Tours and Safaris Limited Management has developed various market strategies that will ensure that the goals are realized. Among the features that will be applied will be: -

- Direct marketing – Attend Tourism Fairs overseas.
- Door to door marketing
- Use of referrals from existing clients.
- Advertizing – Billboards, Flyers.

5.2 Suppliers

The major suppliers of the services that Maulu Tours and Safaris Limited offers are;

- Tanzania National Parks
- NCAA
- Sopa Lodges
- Tanganyika wilderness Camps Limited
- Park View Inn Limited
- Hotels and Lodges
- Qatar Airlines
- Ethiopian Airlines
- KLM Airlines

- Fastjet
- Precision Air
- Auric Air
- Oman Air
- Gupta Auto Spares limited
- Zenith Media

5.3 Competition

There are other tour and ticketing companies in the same line of business both in Arusha and Moshi where company operates. These operators are categorized into small, middle and big players. Competitions are within the segment. Mauly Tours and Safaris Limited is classified as middle operators targeting the high- and middle-class markets. Other players in this class include:

- World quality Tours & Travel
- Leopard Tours Limited
- Zara Tours Limited
- Ahsante Tours & Safaris Limited
- Chelsea Travel
- Jmd Travels Ltd
- Emslies Ltd
- Zara International
- Basecha Ltd
- Simba Safaris Limited

5.4 SWOT Analysis

As indicated above, Mauly Tours and Safaris Limited has undergone a growth of unsurpassed rapidity and intensity due mainly to:

- Personal and direct knowledge of the Tourism and travel services they offer, as well as good understanding of the whole tourism chain supply system and management;

- Strong cooperation and association/network with top international and reputable corporate companies in the country.

- Judicious and timely investments in operational equipment and people.

A brief SWOT analysis of the Company reveals the following highlights

Strengths

- Experienced Management team
- Excellent customer list and agents
- Exceptional customer service to clients
- Corporate image & reputation in the market place
- Long term market presence and experience
- Very strong connection and networks by the directors of the company

Weaknesses

- Lack of financial resources to support the ongoing growth of the company

Opportunities

- Increase tourist activities in the city increases business
- Economic growth led to increase number of corporate companies which leads to increased business in the company.
- Growth opportunity through increased reach and coverage
- Expansion of product range to absorb market clientele

Threats

- Improved technology is threats to growth of the company as customer are able to issue tickets online on their own.
- Introduction of cheap airlines like fast jet reduces company profit margins
- Changing consumer behavior
- Raising interest rates on loans.
- Breakout of diseases such as Corona, Ebola etc.

Future Challenges

- Staying one step ahead of competition

- Political & economic uncertainty
- Unpredictable tourist/consumer behavior
- Terrorism
- Anticipation of future trends in tourism.

6.0 Assistance for Acquisition of Capital Goods.

6.1 Capital Goods

As a part of Mauly Tours and Safaris Limited strategic expansion and operational efficiency improvement, we are seeking TIC certificate.

6.2 Purpose

The purpose of obtaining the requested TIC Certificate is to finance for:

- Financing company expansion strategy and increased of capital goods.
- The company has increased clientele and customers therefore there is need for new assets e.g. Motor Vehicles and Spare Parts, New Camping materials (as per attached list).

7.0 CONCLUSION

The business in question is viable and profitable hence to be granted with Tanzania Investment certificate.

MAULY TOURS & SAFARIS LIMITED

**PROJECTED COMPREHENSIVE INCOME STATEMENT FOR 5 YEARS
(ALL FIGURES IN '000)**

	Y1	Y2	Y3	Y4	Y5
	Tshs	Tshs	Tshs	Tshs	Tshs
TURNOVER	17,790,817	18,960,358	19,615,375	20,600,000	21,625,000
Less: DIRECT COST	16,015,293	17,068,114	17,657,761	18,544,120	19,466,825
GROSS OPERATING INCOME	1,775,524	1,892,244	1,957,614	2,055,880	2,158,175
OPERATING EXPENSES	1,618,964	1,725,393	1,784,999	1,874,600	1,967,875
PROFIT BEFORE TAX	156,559	166,851	172,615	181,280	190,300
TAX	46,968	50,055	51,785	54,384	57,090
PROFIT AFTER TAX	109,591	116,796	120,831	126,896	133,210

