

BUSINESS PLAN

HOTEL AND TOURISM PROJECT

PREPARED FOR;

**MR. FREDY NYANDURA
DIRECTOR OF BELLUNA
COMPANY LIMITED**

**BELLUNA CO. LTD,
P.O BOX 1419, DODOMA.**

1.0 EXECUTIVE SUMMARY

BELLUNA CO.LTD is a private liability business incorporated in the United Republic of Tanzania with Certificate of Incorporation No. 179613662 granted on November 13, 2024, with the primary line of production being hotel, tourism, restaurant, and mobile food services. The proposed business plan is the result of accumulated expertise and experience over many years. The proposed building of hotels, conference halls, stores, and other facilities for lodging services. The Hotel project is an ambitious attempt to meet the growing demand for economic infrastructure in Dodoma Capital City. The proposed new Hotel Building Materials project is predicted to cost USD 500,000 and create over 60 jobs.

1.1 OBJECTED OF THE PROJECT

The primary goals of the **BELLUNA GRILL COMPANY LIMITED** project are to increase the efficiency and effectiveness of hotel and tourism service delivery through better business and financial management, consequently contributing to the country's economic growth. The goal is to provide and offer better services to the public in terms of accommodation.

1.2 MISSION

To provide the most renowned and effective hotel and tourism services to government institutions, local and foreign businesses, and individuals.

1.3 VISION

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

1.4 CORE VALUE:

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

1.4 START – UP – COSTS TO THE HOTEL PROJECT

The Director of this project, MR.FREDY NYANDURAI, has spent an initial capital from his beverage business of soft and hard drinks, allowing him to save US\$ 500,000/= over a period of over ten years, which he has now contributed to the construction of this newly built hotel. This initial contribution includes:-

1.5 THE COMPLETION OF THE HOTEL BUILDING WOULD INCLUDES

- a) Doors
- b) Windows

- c) Finishing
- d) Painting
- e) Machines e.t.c

2.0 MARKET & MARKETING ASPECTS

Dodoma is located in central Tanzania and serves as a junction point for people travelling from all over the country. Dodoma is one of the fastest growing towns, with a current population of over 3,000,000.

The City encompasses a larger territory that includes the Parliament House, many government ministries, and other institutions.

As the population continues to rise, so does the demand for social services. The proposed hotel structure, as well as other buildings on the project site, will address the issue of insufficient accommodation. The analysis offered in the main text indicates that there would be a large demand for these types of initiatives in Dodoma. -

4.0 PROJECT PERFORMANCE

- 2.1.1 The economic life span of the project is three years for USD 1.4 Million for Investment loan to be requested.
- 2.1.2 Interest rate to be charged is 17 % p.a on outstanding balance

5.0 MANAGEMENT

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

5.1 Employment

This Hotel Building project is expected to create new local employment over 60 employees during project implementation period.

6.0 ECONOMIC ASPECTS

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

7.0 PROPOSED SECURITY

- i) Legal mortgage on the Hotel Building Project on Plot No. 28 Block E, Area E neighbourhood, Dodoma City Centre.
- ii) Adequate insurance coverage against fire and burglary for the aforementioned assets given as securities to be procured, registered, and transferred in favour of the Bank.

8.0 PROJECT BACKGROUND

8.1 SITUATION ANALYSIS (SWOT) ANALYSIS

This section analyses the strengths, weaknesses, opportunities, and threats that **MR.FREDY NYANDURAI** faces as a starting point for developing strategic actions that will capitalise on strengths, minimise weaknesses, and allow **MR.FREDY NYANDURAI** to capitalize on existing opportunities while avoiding environmental threats.

a) **Strength**

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

b) **Weakness**

- Inadequate equity funds to complete the project.

c) **Opportunities**

- To increase in numbers of meetings, seminars and workshops being conducted Dodoma.
- Growing market needs for Hotel and Tourism services.
- Existing gap in prime Hotel facilities in Dodoma.
- Existence of proper means of transportation i.e Airport, Roads and SGR services from Dar Es Salaam and other areas.

d) **Threats**

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

9.0 TECHNICAL ASPECT

9.1.1 Location

The project is located on Plot. No 28 block E, Area E in Dodoma City Centre. The project receives all relevant utilizes eg. Water and electricity and the main sewer is within its proximity.

10.0 BUILDING

The applicant will construct good Hotel building which is to become suitable building for an estimated amount of over **500,000 USD**

11.0 MARKETING PLAN

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

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

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

12.0 COMPETITIVE FACTOR

The major competitors of the Hotel building will be:-

- New Dodoma Hotel
- Nam Hotel
- Desert Palm Hotel
- Nashera Hotel
- Best Western Hotel e,t.c

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

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

13.0 Pricing

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

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

14.0 ADVERTISING AND PROMOTION

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

- Designing and distributing attractive brochures and stickers.
- Use of television and radio advertising for brand awareness of BELLUNA COMPANY LIMITED.
- Taking full advantage of sponsor's connections with commercial sector.

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

15.0 SALES FORECASTS

At an assumed 60% occupancy rate, the Hotel building revenues are expected to be US\$. 200,000 in year one. This figure gradually increases to reach US\$ 300,000/= in year 3. The sales forecasts have been based on the market potential for its services, coupled with the market penetration strategy to be supported by the advertising and promotion efforts.

16.0 TARGET MARKET

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

(i) Transit travelers

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

(ii) Visitors from nearby Regions

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

(iii) Corporate Business

This group comprises the business climate which will be attracted to hold board meetings, strategic planning meetings, training sessions seminars and conferences facilities e.t.c.

(iv) Workshop

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

(v) Members of parliament

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

(vi) The bargaining power of customers

Customers have a variety of options due to the large number of hotel structures in Dodoma.

Pricing and quality will almost always be the deciding factors. As previously stated, the hotel buildings differentiate their services, and prospective consumers will be informed that the service supplied will be of high quality and distinctive

17.0 LOCATION ANALYSIS

(i) Accessibility

The Hotel building will be located along the Dodoma city centre. Therefore, to be very ease accessible from any side in Dodoma.

(ii) Demography

The Hotel building will be located at Area E, City centre where residential houses are springing up. This will offer a good demand for the Hotel and Tourism services. Thus a more of life's meaning enjoyment will be driven by customers taste.

(iii) Competitors

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

18.0 MARKET /MARKETING ASPECTS

18.1 The products

The envisaged project will provide accommodation services.

18.2 The market

Hotel services are classified as part of the tourism industry. This sector in Dodoma town is still in great demand due to the ever-increasing local population as well as foreign tourists. Tanzania's political stability has drawn a large number of tourists from around the world.

The proposed Hotel project would serve and cater to a diverse variety of consumers seeking good accommodations at reasonable rates. Its proximity to the town core is an additional benefit that will entice customers. Based on the evolution, it is possible to assume that the proposed project has a large market share.

19.0 PROPOSED SECURITIES

- i) Legal mortgage over project on building located on Plot number 28 Block "E" Area E in Dodoma city.
- ii) Adequate insurance cover against fire and burglary covering the above said assets offered as securities to be obtained and registered and ceded in favor of the Bank.

19 .0 FINANCIAL ASPECT

19.1 Assumption /Consideration

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

20.0 BELLUNA COMPANY LIMITED COSTS STRUCTURE

S/N	PARTICULARS	COSTS - USD
1.	Land and Building	300,000
2.	Machinery and Equipments	
3.	Furnitures and Fixtures	50,000
4.	Motor Vehicles	50,000
5.	Pre Operational expenses	
6.	Working Capitals	100,000
7.	Others	
8.	TOTAL	500,000

20.1

PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will be take 24 months to implement as shown below: -

S/N	ACTIVITY	PERIOD
1.	Processing TIC Certificate of Incentive	November 2025
2.	Funds Mobilization	March – December 2026
3.	Ordering of Vehicles and Machines	July – December 2026
4.	Trial Operations	July 2026
5.	Commercial Operations	January 2027 - Dec 2028

20.2

**BELLUNA COMPANY LIMITED PROJECTED
PROFIT AND LOSS STATEMENT US\$**

Period	Year One	Year Two	Year Three	Year Four	Year Five
Revenue	200,000	300,000	300,000	300,000	300,000
Operating Expenses:	227,500	227,500	227,500	227,500	227,500
Profit before Depreciation &Interest	130,000	130,000	130,000	130,000	130,000
Interest	36,000	36,000	36,000	36,000	36,000
Depreciation	2,050	2,050	2,050	2,050	2,050
Gross Profit	122,500	122,500	122,500	122,500	122,500
Tax (30%)	36,750	36,750	36,750	36,750	36,750
Profit After Tax	85,750	85,750	85,750	85,750	85,750
Accumulated Profit	100,000	100,000	100,000	100,000	100,000

20.3

BELLUNA COMPANY LIMITED PROJECTED CASH FLOWS US\$

PERIOD	Zero (0)	Year 1	Year 2	Year 3	Year 4	Year 5
SOURCES:						
Profit before interest and depreciation	0	230,000	230,000	230,000	230,000	230,000
Equity	1,200,000					
Loan	1,400,000	-	-	-	-	-
Total Sources	2,600,000	600,000	500,000	500,000	500,000	500,000
Applications:						
Capital expenditure		100,000	100,000	100,000	100,000	100,000
working Capital & Others	800,000	100,000	150,000	150,000	200,000	200,000
Cash	1,200,000	400,000	400,000	400,000	400,000	400,000
Tax	30%	120,000	120,000	120,000	120,000	120,000
Sub total	1,700,000	430,000	430,000	430,000	430,000	430,000
Total applications	2,600,000	520,000	520,000	520,000	520,000	520,000

20.4 BELLUNA COMPANY PROJECTED STATEMENT OF FINANCIAL POSITION US\$

As at the end of	2024	2025	2026	2027	2028
Assets					
Current assets					
Cash in hand and bank	1,000,000	800,000	800,000	900,000	1,500,000
account receivable	300,000	200,000	200,000	300,000	700,000
Inventory	100,000	400,000	400,000	800,000	400,000
Total current asset	1,400,000	1,400,000	1,400,000	2,000,000	2,600,000
Non-current assets					
furniture	20,000	20,000	10,000	10,000	20,000
Machinery	310,000	300,000	200,000	200,000	300,000
Equipment	200,000	150,000	100,000	100,000	150,000
Total non-current asset	2,000,000	1,870,000	1,710,000	2,310,000	2,670,000
Total assets	2,000,000	1,870,000	1,710,000	2,310,000	2,670,000
Equity and liabilities	2,000,000	1,870,000	1,710,000	2,310,000	2,670,000
Current liability					
Account payable	200,000	250,000	250,000	300,000	300,100
Short term loan	500,000	400,000	400,000	400,000	500,000
Long term liability					
Loan from bank	500,000	400,000	200,000	200,000	100,000
Total liabilities	1,200,000	1,150,000	1,150,000	1,200,000	1,300,000
Add retained profit	180,000	200,000	300,000	300,000	200,000
Grand total	1,380,000	1,650,000	1,950,000	2,300,000	2,600,000