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next generation investments.

2020- 2021 business plan.

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# **EXECUTIVE SUMMARY.**

# **About us:**

Next generation investments are an investment company that will offer affordable investment opportunities to university, college, tertiary level students and young people.

Our targeted group is between 18 years to 30 years

Products

1. Real estate.
2. Investments
3. Loans
4. Insurance.

This product will help our young people and students invest while there are still young hence solving some of problem faced by students after school by at least 60%.

We plan to have students contribute ksh 300 to 10,000 a month for a period of 2years to 4 years.

We also plan to have financial services.

# Our unique model.

Our unique five step model begins with identifying a market i.e. a particular school, college, university etc. in a specific region within Kenya, who will benefit most from our services particularly investments, real estate and loans.

The next step is approaching the relevant bodies/ institutions in order to gain access to their students, the next step involves collaborating with the local institutions, students and giving them knowledge the need to invest while in school.

After the above steps we introduce our services to the students and giving more information about our services and following up on their need hence transforming students’ lives after school.

# Summary of financials model and capital requirements

Next generation investment company is a company that will offer investment opportunity to students. In Kenya there are over 2 million students in tertiary institutions and each year over 500,000 students graduate from this institution.

Our proposed plan is to have clients from every college and universities across the country with a goal of transforming over 300,00 graduates in the next 4 years. As part of our services to other students we will focus on the following:

* **Increasing awareness** by developing local offices in various colleges, universities and communities and organizing local events and outreach activities.
* **Developing partnerships and local volunteers** in each institution in order to scale our services, particularly in identifying targeted audience and ensuring effective delivery of our services. The representatives will have deep roots and engagements with our targeted market which will facilitate such partnerships.
* **Recruiting local representatives** to deliver success execution of our services, in year two of the company we will hire more staff in selected institutions to support operation aspect of our services and ensure accountability for effective delivery of the services.

We will develop a diverse funding model that will evolve and grow by leveraging a strong network extensive partnerships and strategic relationships.

To achieve our goal of impacting over 300,000 graduates in the next 4 years, we will need a cumulate funding of ksh. 4 million, we expect cut our expenses by 70% during the first year.

we are projecting the following during the first year.



# Market Context and Need

Investment is currently responsible for driving the entire world economy. Investment is necessary to facilitate economic development, international competitiveness and job creation.

Aggregate investment directly impacts a country’s ability to innovate, adopt and adapt technologies to drive long-term sustained growth and economic well-being. According to the UN, in 2010, 700 million fewer people were living in extreme poverty than in 1990, but 1.2 billion still have to survive on less than $1.25 per day.

At this time, the percentage of students in developing regions receiving tertiary education went up from 40% to 70%, but there’s still work to be done. Furthermore, a huge disparity exists between developed nations and many developing or underdeveloped regions.

Kenya is the largest economy and most advance economy in east and central Africa. Its GDP accounts for more than 50% of the region’s and in terms of current market prices, its 2014 GDP stood at $58.1 billion.

Restricted access to knowledge and poor spending / excessive spending have a major impact on the skills of the workforce and hence economic development. Even as developing nations face severe challenges in educating their youth, technology is fundamentally impacting how we interact and work, connecting works, communities, and societies in increasingly sophisticated ways, thereby creating new opportunities for those who have the skills to take advantage of those opportunities. It is increasingly important to develop digital fluency and investments skills from an early age in order to be equipped with the tools to thrive in the rapidly evolving workplace - and in a knowledge-based society undergoing rapid transformation.

At next generation investments we will develop a unique model to address these needs one institution at a time in Kenya. Our approach involves providing students, in rural communities and urban, with access to investment opportunities, after all, often relatively small local accomplishments in investments can benefit the economy even more than the big accomplishments that may be published in newspapers. Small investment opportunities l to solve communities’ problems can have far-reaching effects on the lives of young people.

# Other organizations serving similar market need

There are many organizations active in the Africa continent with a similar goal of improving investment opportunities but with different approaches. Often these initiatives are either global in nature or national in scope. We feel that we have learned from their models and can also see potential partnerships.

* **Centum Investment Company Plc**; Centum is one of the most robust investment firms in Kenya. It’s the leading investment outfit in the entire East and Central Africa. It is listed on both the Uganda Securities Exchange (USE) and the Nairobi Stock Exchange (NSE).

Centum provide investors with a diversified investment portfolio in various sectors of the economy. These include infrastructure, real estate, FMCG, finserve, education, health, agribusiness, energy, private equity, and much more. The company is an affiliate of the government-backed investment bank ICDC.

Centum also operates a number of subsidiaries. Bakki Holdco Ltd, Vipingo Development Ltd, Centum Development Ltd, Uhuru Heights Ltd, King Beverage Ltd, Nabo Capital Ltd, Pearl Marina Estates Ltd, Investpool Holdings Ltd, GenAfrica Investment Management Ltd, Tribus TSG Ltd, and Centum Business Solutions Ltd, just to mention a few.

* **Transcentury** Founded in 1997, TransCentury Ltd (TCL) is an infrastructure-centric investment firm listed on the NSE. It has operations in over 14 countries in East, Central, and Southern Africa. TCL specialises in a number of infrastructure sectors, including infrastructure projects (transport, critical energy & domestic), power infrastructure (manufacture of power transformers, cables, switchgear, and conductors), rail infrastructure, and infrastructure erection services. They also invest in transport, civil engineering, crane services, and logistics.
* **Home Afrika** Established in 2008, Home Afrika is an investment company that focuses on real estate development. It’s interested in developing communities across Africa as well as providing sustainable, quality, and affordable housing. It was listed on the NSE’s GEMS sector back in 2013. Currently, Home Afrika is managing massive projects in the capital and various counties nationwide.
* **Faida Investment Bank** provides investors and individuals with an opportunity to invest in secondary stocks at the NSE. It’s currently one of the leading investment companies in Kenya when it comes to capital and securities markets. If you’re looking for an investment firm in Kenya that’s efficient, prudent, and friendly to investors, look no further than Faida Investment Bank. Over the past 5 years, it has grown its portfolio 24fold.
* **ApexAfrica Capital Ltd** is one of the fast-growing investment institutions in Kenya. It offers myriad investment vehicles for investors, including corporate finance, stockbroking, wealth management, portfolio management, and market research. It’s licensed as HAK Securities Ltd.
* **Equity investment bank limited** This is the investment division of Equity Bank Group. They offer investment products in real estate, finserve, insurance, banking, and stock broking.
* **KCB capital** KCB is one of the leading retail banks in Kenya. And they established KCB Capital to help investors funnel their money into profitable investment channels in the mortgage industry, insurance, construction, government securities, stocks, and much more.
* **Fidelity Investment Bank** offers transparent, competitive, and structured investment opportunities for Kenyan investors

# Strategy

## Organizational review.

Next generation investments are an investment company that will offer affordable investment opportunities to university, college, tertiary level students and young people.

## Mission

To seek and offer world class investment opportunities over a wide spectrum of industries fostering entrepreneurship and developing the Africa economy while cultivating sustainable partnerships and empowering them to their full potentials.

## Vision.

To provide attractive and affordable investments opportunities to investors and our clients (students) by empowering and collaborating with the right business and industry to maximize potentials for growth sustainability and return on investments.

# Qualities.

* Integrity
* Transparency
* Vitality
* Community
* Empowerment
* Accountability
* Discipline
* Enhance knowledge
* Share our passion
* Teamwork
* Ambitions

# Objectives

1. Enhance credibility among shareholders and investments worldwide.
2. To be the leading brand in the region offering world class investments and services
3. Creating partnerships with local, regional national and international organizations.
4. Respond to global customer needs better and faster
5. Provide employment with more challenges and opportunities to grow and enhance their career development.
6. Contribute to local communities and global environment conservation
7. To reduce unemployment after college through our student products

# Competitive positioning

Next generation investment has adopted a unique approach that clearly differentiates us from other programs. At Next generation investment, we are particularly focused on partnerships with local institutions and developing relationships with students, local volunteers and community to oversee effective implementation of the services we offer and to ensure buy-in from all stakeholders.

Another advantage of our approach is that it complements the initiatives of many other institutions which will open paths for establishing mutually supportive partnerships thus creating further positive impact from our efforts. At the same time, success of this initiative could be threatened by political instability or other social unrest that often disproportionately impacts urban, rural and under-served communities. The success of the initiative could also be impacted negatively by lack of interest from students and school administrators. Hence, much effort will be required in each community to get buy-in from all stakeholders and to maintain active, on-going follow-ups in the market.

# Critical success factors

* Diversified Funding – Secure diversified funding including a blend of grants from public and private foundations, corporations, and individuals.
* Partnerships – Partnerships with other like-minded institutions delivering complementary services are critical to creating a long-term, sustainable program.
* Grow Evidence – Impact of the service will need to be demonstrated to obtain buy-in from institutions and the beneficiaries of the services for continued success.
* Staff - Each program and expansion initiative are sustained by staff and other stakeholders in the local community and the tertiary institutions.

# Financials

See table below for pro-forma consolidated revenue and expense projections for next generation investment from all sources

## Revenues

* Individual We will continue to grow and expand our outreach and awareness efforts across various channels that include social media, search-engine optimization, newsletters, and blogs in addition to direct outreach through local chapters to increase individual contributions.
* Deposits from customers we expect to have deposits of up to ksh. 54,600,000 from our first cohort of our customers.
* Commission this is from sale of land and houses to our potential clients.

## Expenses

Next generation investment plans to leverage volunteers, interns and to support most functions within the organization to maximize the percentage of funds that go directly towards maximizing profits. Our current plan for expenses includes the following

1. Initial set up cost
2. On going cost
3. Staffing
4. Travel