

Business Plan

Kamutamba Guesthouse



Mpongwe, May 2014

Written by

- Sr. Chisense Nelly
- Mr. Chitambala Green
- Dr. Maarten Hofland
- Mr. Gijbels Stijn
- Mrs. Herrygers Katleen

Table of Content

Introduction.....	3
1. Marketing Objectives.....	4
2. Situation Analysis.....	6
2.1 Mission and Vision	6
2.1.1 Mission.....	6
2.1.2 Vision	6
2.2 SWOT Analysis.....	6
2.2.1 Internal STRENGTHS.....	6
2.2.2 External OPPORTUNITIES.....	7
2.2.3 Internal WEAKNESSES	7
2.2.4 External THREATS	8
2.3 Competition Analysis.....	8
2.3.1 Sunbeam Guesthouse	8
2.3.2 Chimfinshi Guesthouse.....	8
3. Target Markets.....	9
3.1 Volunteers/Students	9
3.2 Visiting Friends and Relatives.....	9
3.3 Visitors Hospital.....	9
3.4 Visitors Ibenga Girl Secondary School	10
3.5 Visitors Convent	10
3.6 Patients of the hospital.....	10
3.7 Friends/Relatives of the patients.....	10
3.8 National Business Tourism and International Business Tourism.....	10
3.9 Farmers	10
4. Marketing Strategies.....	11
4.1 Product	11
4.2 Price.....	11
4.3 Location	12
4.4 Promotion.....	12
4.5 People.....	13
4.5.1 Customers	13
4.5.2 Employees	13
4.5.3 The Management Board.....	14
4.6 Physical Evidence	15
5. The Financial Plan	16
5.1 The Start-up Costs	16
5.2 The Financial Plan for the Guesthouse	17
5.2.1 Costs Guesthouse.....	17
5.2.2 Revenues GH	19
5.2.3 Profit Analysis.....	21
5.2.4 Break Even Point.....	22
Conclusion.....	22
5.3 The Financial Plan for the Restaurant.....	23
5.3.1 Costs Restaurant.....	23
5.3.2 Cost Price and Revenues per Meal	25
5.3.3 Break Even Point.....	26
5.4. The Financial Plan for the Bar	27
5.4.1 Costs Bar.....	27
5.4.2 Profit Marge	27
5.4.3 Monthly Break Even Point.....	27
Conclusion	28

Introduction

This report is written for the St. Theresa Mission Hospital in Ibenga and has to result in an organized and structured business plan for the St. Theresa's Mission Guesthouse named "Kamutamba Guesthouse".

The St. Theresa's Mission Hospital aims to be as much as possible self-sufficient and therefore in the past, the Hospital started up several incoming generating activities. This is necessary because in 2012 the government has decided that it will pay wages and allowances for staff members and the needed drugs for the patients but that the hospital is not allowed anymore to ask user fees to the patients. The hospital however still has to cover for running costs like mosquito nets, mattresses, patients' transport, non-government funded medicines and many more. For that reason the hospital wants to extend its incoming generating activities. The Guesthouse is one of these new projects. This report includes several marketing strategies and tactics to achieve the formulated goals.

First of all it is necessary to recognize what is important to run a good and decent Guesthouse. To find a strategy that can lead to sufficient and returning visitors in an increasing business market. Therefore 4 aspects have to be kept in mind in the setup of a Guesthouse.

1. The cleanness and the hygiene is the first impression the customer will have. The Guesthouse always has to be a spotless place.
2. There has to be an inviting and welcoming atmosphere. The staff has to be trained in customer friendly behavior.
3. The Guesthouse has to assure high quality rooms and other accommodations. This means that already in the construction and set up, investments in high quality have to be done.
4. The upgrading and maintenance of the Guesthouse is a continuous project. The Guesthouse has to stay up to date and always look for the best way to improve its services.

The long term goal of The Kamutamba Guesthouse is to become the most popular option in Ibenga for long staying guests or temporary lodging by creating a clean and well organized Guesthouse and to capitalize on a strong personal service. We will make a difference by creating a peaceful and unique environment with high standards concerning customer service and general cleanness. We will always strive towards meeting the highest quality expectations of our customers. All this will be done for a reasonable and competitive price. We will invest in good publicity; this will allow the Guesthouse to attract a wide network of customers which will result in a higher occupancy rate and higher profits.

The Kamutamba Guesthouse will fulfill the needs of many travelers, visitors, students and volunteers looking for a clean, customer friendly and relaxing Guesthouse. All the **rooms** will be provided with quality mattresses, soft sleeping pillows, good beds and mosquito nets. Every room will be decorated with Zambian

art and will be self-contained with a decent flush toilet, hand basin and a hot water shower.

The Kamutamba Guesthouse will have a **restaurant** where customers and 1-day visitors can enjoy breakfast, lunch and/or dinner. The **Bar** next to the Restaurant will serve cold drinks and homemade snacks.

Besides the sleeping accommodation, a restaurant and a bar the Guesthouse will have its own **conference hall** that can be hired for meetings, kitchen parties, weddings, workshops etc... The customers of the Conference Hall can also make use of the catering facilities of the Restaurant.

1. Marketing Objectives

The overall goal of the marketing campaign is to create a Guesthouse that has stable profits and is known as a Guesthouse with high quality and service standards for its guests. Furthermore the Guesthouse wants to have a strong and sustainable position in the hospitality market within the Masaiti and Mpongwe District. Internally and externally the Guesthouse wants to be a successful and profitable undertaking.

The Kamutamba Guesthouse has the following marketing objectives:

	<i>Objective</i>	<i>Method</i>	<i>Result</i>
1	The renovation of an existing old leprous ward into a Guesthouse with 14 rooms, a bar, a restaurant and a conference hall.	Develop Plans and Budget (already done). Find funding to realize the building plans (In process). Start up with the renovation of the Guesthouse.	After 1 year the complete renovation of the 14 rondavels should be done and they should be occupied by customers. The bar, restaurant and conference hall should be operative and running.
2	Start with the promotion and publicity for the Guesthouse, bar, restaurant and conference hall in order to make it known amongst the target group.	Making billboards to indicate the location of the Guesthouse, restaurant, bar and conference hall. Making folders and posters that will be spread throughout the Masaiti and Mpongwe District and the nearest towns.	The Guesthouse will be known by the people of Ibenga and the nearest towns, the teachers, visitors and parents of Ibenga Girls Secondary School, the staff, visitors, patients and relatives of the patients of the St. Theresa's Mission Hospital and the visitors of the convent.

			Because of the billboard also business people will know about the existence of the new Guesthouse. Good publicity will increase the occupation rate of the Guesthouse and will generate more profit, which results in more funding for the St. Theresa's Hospital.
3	Develop an accountancy system where income and expenses can be easily monitored. This has to be done before the Guesthouse opens.	Make sure that all financial data from the Guesthouse are kept in one document and that everyone who needs to use these data easily can look for them.	Knowing what the profits or losses of the Guesthouse are and knowing in which way the activities of the Guesthouse can be improved. Financial visibility and transparency for the St. Theresa's Hospital.
4	Meet quality expectations of the main target groups of the Guesthouse	Check regularly if the rooms are well cleaned by the cleaning crew. Make a checklist. Check regularly the hygiene and the quality of the food and drinks in the restaurant and bar. Make a checklist. Check the opinions of the guests by questioning them.	Keep customers satisfied and always meet the expectations of the target group. Increase the number of returning visitors and make sure that customers get value for money. Controlling the staff and their work as well as their customer friendly behavior.
5	Enlarge the profit for the aid projects of St. Theresa's Mission Hospital.	Strictly follow objective 1 till 4 and make sure that they are successfully implemented.	Continuously try to enlarge the profits and fulfill the general goals of the Kamutamba Guesthouse.

2. Situation Analysis

2.1 Mission and Vision

The Kamutamba Guesthouse is located in the center of the Copperbelt Province in the northern part of Zambia.

Besides the Guesthouse, the St. Theresa's Hospital runs several other income generating activities in Ibenga. Money that is generated through income generating activities is used to fund the daily running costs of the St. Theresa's Mission Hospital. The Management Board of the St. Theresa's Mission Hospital defined a mission statement and a vision for the Guesthouse.

2.1.1 Mission

- The Kamutamba Guesthouse offers exceptional Zambian hospitality, distinctive quality accommodation and unique facilities. By these means, the Guesthouse creates job opportunities and donates profit to the St. Theresa's Mission Hospital in order to contribute to the overall health development of the Masaiti and Mpongwe District.

2.1.2 Vision

- The Kamutamba Guesthouse is the preferred accommodation for every visitor in Ibenga. It gives the people of Ibenga the opportunity to generate income for their own hospital. This way the Guesthouse contributes to sustainable health development of the district and gives every patient of Ibenga better health services.

The main aims of the Guesthouse are to bring excellent hospitality services to its guests and with the generated profits the health care of the Masaiti District and the Mpongwe District should be further developed and upgraded. This is where the Guesthouse stands for, and the management wants to work for.

2.2 SWOT Analysis

For a proper situation analysis it is important to know the Strengths, Opportunities, Weaknesses and the Threats of the Kamutamba Guesthouse. Through the strengths, which are all internal factors within the company, the opportunities that have to be found in the external environment can be formulated. Internal weaknesses can lead to external threats.

2.2.1 Internal STRENGTHS

- The Guesthouse will be fenced and day and night there will be a guard. This will make it **a safe place**.
- During the first two years the construction and the running/managing of the Guesthouse will be done by **a Belgian couple** that already has 2 years of experience in the construction and managing of a Guesthouse in Mpongwe, Zambia. The main goal of that Guesthouse was also to raise money for the funding of other development projects. They both have a lot of work-experiences in restaurants and bars in Belgium. Stijn Gijbels is a businessman and the owner of a popular bar in Belgium. He knows everything about managing a bar. In Belgium he also worked as a carpenter

and did several construction projects. The last two years he worked in Zambia and was responsible for the extension of a Guesthouse in Mpongwe and the construction of a Vocational Training College. Katleen Herrygers worked in Belgium as an event manager for an art center where she was responsible for the bar, restaurants and the organization of big events. She did the financial administration and had 30 employees under her. In Zambia she worked as a financial manager for the Guesthouse and she coordinated the capacity building of the Guesthouse Manager and the trainings and workshops for staff members.

- The employees will be trained by the couple from Belgium in all the different aspects of running a guesthouse (cleaning, customer friendly behavior, bar services...) so therefore it will be a **clean and pleasant place** to stay.
- The Guesthouse will have a **restaurant** and a **bar** where guests can get a breakfast, lunch, and dinner or just have a relaxing drink.
- The rooms will be built with the eye on **good quality**.
- The rondavels will be built in **originally Zambian style** and there is a certain distance between the houses which will reduce disturbance by other customers.
- It is a **large plot**, there is space for expansion.
- The landscape is amazing and customers can enjoy **an idyllic view**.
- There will be investment in **publicity** and advertising.
- The Guesthouse can make good use of the nearby Hospital, school and convents' **network**.
- The **conference hall** will cater for meetings organized by the hospital, the school, the convent or other local organizations. The conference hall also can be hired privately for kitchen parties, weddings,... Besides generating income, this hall can play **a role in community development**.
- **No capital will be lost**. Because the renovation of the Guesthouse is donor funded, it does not require repayment.
- Money that guests spend in the Guesthouse is going directly to the health programs of the St. Theresa's Mission Hospital.

2.2.2 External OPPORTUNITIES

- **Growing number** of people who can afford to sleep in Guesthouses in the Masaiti and Mpongwe Districts.
- Connecting **roads** to big cities are from a good quality.
- **Volunteers and students** from Europe regularly come to work at the hospital.
- There **are a lot of visitors** which are looking for a nice place to stay. For example visitors from: the convent, Ibenga Secondary Girls School, the Hospital and students or volunteers.
- The overall **development of the district** goes very fast. There are very concrete plans to develop agricultural and industrial sectors within the district. It is located in the Copperbelt, the main economic province of Zambia. Zambia has an annual average economic growth of 7%.

2.2.3 Internal WEAKNESSES

- The rooms will be comfortable but **small**.
- **Slow decision-making process** because a lot of people have to approve before changes can be implemented.
- Difficulties to find high **quality staff**.
- After two years the Belgium couple will hand over the Guesthouse to a Guesthouse Manager. There will **be an exit strategy** but still it will depend on a good following up of the Management Board of the St. Theresa's Mission Hospital.

2.2.4 External THREATS

- There is **competition** in the Masaiti District.
- The Copperbelt Province is located at **the less touristic** developed north of Zambia.
- Lack of attractions in the region.
- **Public transport** sometimes costs a lot of time and is uncomfortable.
- **Not enough money** from donors to build and start up the Guesthouse.
- **Slowdown of economic growth** in the country because of high dependence on copper prices.

2.3 Competition Analysis

The competition within Ibenga is small and very good analyzable. Together with the Kamutamba Guesthouse there are 2 other hostel facilities in Ibenga: there is Chimfinshi Guesthouse just a cross the road and the Sunbeam Guesthouse which is located in the Masaïti District, close to the border with the Mpongwe District.

2.3.1 Sunbeam Guesthouse

- Strengths: It is a very luxurious Guesthouse with a swimming pool and very spacious rooms.
- Weaknesses: The Sunbeam Guesthouse does not focus on our target group. (Students, volunteers, patients and visitors for convent/hospital/Ibenga School,) It is 5 kilometers from the Kamutamba Guesthouse, so also from the Hospital itself. The room prices are very high and not affordable for the average Zambian.

2.3.2 Chimfinshi Guesthouse

- Strengths: The Guesthouse is nearby the St. Theresa's Mission Hospital and it focuses on the same target groups as our Guesthouse.
- Weaknesses: The Chimfinshi Guesthouse seems not to make a lot of publicity and there are a lot of complaints about the customer service, the quality of the rooms and visitors with doubtful intentions.

Because there is some competition in the area it is necessary that the performance of our Guesthouse is better than the performance of our competitors (capacity building and high standards rooms) and that we make a good promotion plan. (See 4.4).

3. Target Markets

Most of our customers will be volunteers, students, friends and relatives of the students/volunteers, visitors of the Hospital, Visitors of Ibenga Girl Secondary School, visitors of the Convent, patients of the Hospital, friends and relatives of the patients, national business tourism and International Business tourism, farmers and others.

The target group will be consistent. At every time in the year there is need for hospitality in this area. We cannot speak of a peak and/or an off-season. There will be minimum impact of high and low season period on the monthly earnings.

Every period of the year we expect students and volunteers at the Hospital. Because of this, every month the occupation rate will be at least 10%-20%.

3.1 Volunteers/Students

A lot of people are nowadays participating in international volunteering or student attachments. The St. Theresa Mission Hospital works with students and volunteers from Europe. The hospital wants to increase this number but has some difficulties to assure accommodation for the students and volunteers. At the moment, there are 2 possibilities for the students and volunteers.

They can sleep with the sisters in the convent nearby the Hospital. But in this case the students are limited because of the rules of the convent. For a lot of students and volunteers it is a great experience but is it difficult for a long period. Most of the students and volunteers come to Zambia for 3-6-12 months.

The students and volunteers can also sleep in the nearby Guesthouses. The problem here is that the nearby descent Guesthouses are very expensive and that there is a distance between their work place and their living place. For this target group the Kamutamba Guesthouse can be a very good solution. The prices of the Guesthouse are not very high comparing to the other Guesthouse in the Masaiti District. Guests can even enjoy of a discount of 10% if they stay 3 months or longer. The Guesthouse is 5 minutes' walk from the Hospital. The Guesthouse will have a restaurant and a bar that will attract a lot of doctors and nurses from the hospital so the students and volunteers can socialize with their colleagues after work.

3.2 Visiting Friends and Relatives

There are parents, partners or other family members and friends that are visiting students and volunteers. These visitors will look for accommodation close to the hospital.

3.3 Visitors Hospital

The St. Theresa's Mission Hospital welcomes every year a lot of individual visitors or organizations. The visits can be in terms of business, donor ship technical support, monitoring, and supervision... This can be a 1-day visit but also for longer periods. This group of visitors can enjoy a nice stay in the Kamutamba Guesthouse and/or

have a delicious lunch/dinner in the restaurant and enjoy the idyllic landscape.

3.4 Visitors Ibenga Girl Secondary School

Next to the St. Theresa's Hospital there is a very famous and high standard secondary school for girls. Parents from everywhere in Zambia send their children to this school and pay a lot of money for good education for their youngsters. Every term there are visiting days during which parents and other family members can visit their pupils. Sometimes parents come on other days to the school for different kind of reasons. For this group the Guesthouse can be an affordable solution for not driving back in the night or for bringing a visit in the weekend to their child or for just having a nice lunch or dinner with their family.

3.5 Visitors Convent

The convent, where the hospital is part of, receives a lot of short and long term visitors, they can enjoy the facilities of the guesthouse if they wish to.

3.6 Patients of the hospital

The patients of the St. Theresa's Mission Hospital come mostly from the Masaiti and the Mpongwe District but often also from much further. Some patients have to come from very far before reaching the Hospital. If they have to wait for an operation, a delivery or other treatments and they are not allowed to stay in the Hospital they can be accommodated in the Guesthouse.

3.7 Friends/Relatives of patients

As mentioned above, a lot of patients come from all over the Masaiti and Mpongwe District and even further. Family and relatives can come from all over Zambia. This group is not allowed to stay overnight in the Hospital with their dearest child/family/friend. For that reason, the Guesthouse can be the perfect sleeping place. It will be affordable, it will give them some rest in the peaceful environment of the Guesthouse, it is 5 minutes' walk from the Hospital and they can get a breakfast, lunch or a diner if they want.

3.8 National Business Tourism and International Business Tourism

There is a business group that uses Guesthouses for accommodation in Zambia. By far the most of these business tourists are domestic travelers. These national business travelers are mostly coming from the bigger cities within Zambia like Lusaka, Ndola or Kitwe. (Lemmens J.B (2012), *Results Survey Customers*)

The group of international tourism is still growing in Zambia, mainly from China, but the majority is still domestic. (Lemmens J.B (2012), *Results Survey Customers*)

3.9 Farmers

The Masaiti and Mpongwe area is famous for its excellent soils for agriculture. Many citizens from Zambian cities have farming land within the area. Especially during the planting and harvesting season they temporary move to the area and are in search for descent accommodation.

4. Marketing Strategies

The main keys to success are:

- Positioning St. Theresa's Mission Hospital as the best Guesthouse in Ibenga for the targeted costumer group
- Building a strong market position compared with the other local players.
- Investing in a qualified management team that will train the staff and build their capacity.
- Maintaining sound financial management of the venture.

4.1 Product

St. Theresa's Mission Hospital is selling rooms or overnight stays in the Kamutamba Guesthouse. A Belgian couple with a lot of experience in the hospitality sector will train the staff and the assistant Guesthouse manager. Because of these facts, the Guesthouse will rank high for rural African standards. The capacity building of the staff will reflect in a properly cleaned Guesthouse, high quality rooms and an excellent customer service.

The Guesthouse will open a restaurant and a bar, not only for guests that stay overnight but also for the staff of the Hospital and school and other citizens of Ibenga. The restaurant will be open from 7 hours till 21 hours on weekdays and on Saturday. Only on Sunday the restaurant and bar will be close. Breakfast, lunch and dinner will be available. The restaurant will strive to serve high quality food at an affordable price. The menu will also include, besides traditional Zambian dishes, a few European dishes. The kitchen will close at 21 hours and the bar will close at 22 hours. From 22 hours only overnighiting guests will be allowed in the Guesthouse in order to respect their rest.

The Guesthouse will strive to a high occupancy rate by making good publicity and advertising. Costumer friendly behaviour, high quality rooms and spotless cleanness of the Guesthouse will lead to returning and new visitors.

4.2 Price

This part of the Marketing Strategy is very important because it is the part that finally determines the profit for the company. It is important to think about pricing strategies and do not just put random prices to the product.

Because the Guesthouse strives to open its doors in 1-year time (2015-2016) it is difficult to establish the price for a room at the time of writing. Of course there will be a comparison with other room prices of Guesthouses in the Masaiti District and the Mpongwe District. The main goal is to make the price affordable for an average Zambian. Since the rooms are very small you could say that the Guesthouse has to put its prices on the lower side. On the other hand, the Guesthouse will strive to a high quality standard of rooms, hygiene and service so the Guesthouse can afford to put its prices on the higher side. For these reasons the Guesthouse has calculated its prices *with the value-based pricing* method.

Value-based pricing: “Price your product based on the value it creates among your customers. Value based Pricing is the most profitable way of pricing because when your company meets high quality you can ask a lot for performance. For this strategy it is necessary that performance of your company is higher than the performance of your competition”

4.3 Location

The Guesthouse is situated in the Mpongwe District nearby the Masaïti District in the Copperbelt Province, Zambia.

“Copperbelt Province is rich with mineral finds and mines. The name of the province is given by the rich finds of copper ore (e.g. Chingola, Konkola, Nchanga Mines), but notable are also emerald mines along Kafubu River, which in the first 6 months of 2011 yielded 3.74 tons of high quality emeralds.” (From Wikipedia, the free encyclopedia)



Mpongwe District
Capital: Mpongwe
Population(2000):
91.000



Masaïti District Capital:
Masaïti
Population(2000): 95.581

The plot of the Guesthouse is situated in a green area, 200 meters from the main road to Luanshya. The landscape is amazing and the customers can enjoy an idyllic view.

Besides the good location, it is important that the place looks nice for the guests. Therefore it is very important that the daily manager looks after the general cleanness of the Guesthouse. The daily manager has to give tasks to the other employees to keep the Guesthouse clean and guarantee the quality of the services. A checklist will be made.

4.4 Promotion

It is important to strengthen the fame of the Kamutamba guesthouse amongst the target group. Billboards will be placed before the guesthouse opens. Also posters and a lot of folders with publicity will be spread throughout the district and the nearest towns. In addition to this, other ways to promote the guesthouse will be developed as soon as the guesthouse is running. .

- Internet Site.
- Facebook/Twitter.
- Make a You Tube video.
- Trying to be included in travels guides.

- Business cards of the Guesthouse.

In our budget plan a certain amount that covers the financial needs for promoting the Guesthouse will be included. During the first two years after opening the Guesthouse the marketing efforts will be monitored and guests will be asked where they heard about the Guesthouse. These resources will be used for the marketing plan after the first two years.

4.5 People

Without a descent staff it is not possible to sell a proper service product. The staff of the Guesthouse has to be friendly, helpful and know what they are doing. The management team has to give a lot of training and workshops in general cleanness, good service and customer friendly behavior and will continuously evaluate the staff.

4.5.1 Customers

The target group is pointed out in chapter 3. It is important for the Guesthouse that it continually knows about what customers think about the Guesthouse and therefore it is recommended to stay up to date about the customers' opinions.

4.5.2 Employees

The Guesthouse will have 9 paid employees: one Guesthouse manager, one assistant Guesthouse manager, two guards, two cleaners, two chef cooks and one bartender. This team will fulfill the daily tasks in and around the Guesthouse.

The **Guesthouse manager** will help the Guesthouse to become more professional and keep things organized while the Guesthouse is running. During the first two years the Belgian volunteer Katleen Herrygers will fulfill this function. After two years of training and capacity building the assistant Guesthouse manager should take up the function of operational Guesthouse manager.

The qualities of a Guesthouse manager are: good leadership, motivation, independency, being structured, very good writing-reading-speaking English skills, being self-confidential, flexible, experienced in the hospitality industry and showing of initiative. The Guesthouse manager knows how to work with excel, word and internet and is experienced in accountancy and financial matters. He needs to have at least a grade 12 certificate and a diploma of a college or university in social or hospitality sector is highly recommended.

The Guesthouse manager and the **assistant Guesthouse manager** are responsible for answering the telephone for reservations, showing the rooms to the guests, holding the logbook, making payments for guests and counting the cashbox. When new guests are checking in, the manager is the first impression. She/he will assist the guests to their rooms and will answer all the questions of the guests on a friendly and helpful way.

The Guesthouse manager and the assistant Guesthouse manager will also be responsible for the renting of the conference hall. They will show interested clients the hall, explain the possibilities, make arrangements, do the bookings and make the contracts.

The **two cleaners** have as main task to keep the Guesthouse clean every day. Both of the cleaners will work from Monday till Friday from 06.30 hours till 15.00 hours and one day in the weekend from 07.00 hours till 17.00 hours. In total this will be 50 hours a week. The wages of the cleaners will be the average wage for a cleaner in Zambia, which will be topped up with extra money for working during the weekends. The cleaners have to be punctual, structured, well organized, show a high cleaning standard and have good skills in English speaking.

The 2-guards/**general workers** will both work one-week day shift and one-week night shift. During daytime the guards can do general work around the Guesthouse, especially gardening. During the nighttime the guard on duty is responsible for guarding the properties of the Kamutamba Guesthouse. The wages of the guards will be the average wage in Zambia for such duties. The guards have to be very loyal, trustable, honest, helpful and very good in English communication. During the night times and the weekends, the guard will welcome new customers so he/she has to be trained in customer friendly behavior and speak fluently English.

The two **chef cooks** will be responsible for the restaurant and the kitchen. They will work in differential shifts. One will work from 7.00 hours till 15 hours. The second one will work from 12.00 hours till 21.00 hours. The chef cooks will serve quality food. They have to work efficient and hygienic. Every day they have to do a stock counting and the counting of the cashbox. The wage of the chef cooks will be the average wage for a chef cook in Zambia. The cooks have to be flexible, experienced, good in time-management and customer care. Because the restaurant will be an important part of the income generating activities it is recommended that both cooks have a grade 12 certificate (English and Mathematics are important) and they need to have a certificate in catering or relevant experiences.

The two chef cooks will work together with one **bartender**. The bartender will work on weekdays from 12.00 hours till 14.00-15.00 hours and from 17.00 hours till 22.00 hours. On Saturday he will work from 17 hours till 22.00 hours. The bartender helps the chef cooks with the service towards the customers, helps if necessary with the cleaning of the dishes and is responsible for the bar. He/she has to keep the bar clean and orderly and is responsible for the incoming money. He/she has to do a stock counting every day. The wage of the bartender will be the average wage in Zambia. The bartender has to be very good in mathematics, flexible, organized, customer care and he/she has to speak fluently English.

4.5.3 The Management Board

The first two years the managing of the Guesthouse will be led by **two Belgian volunteers** who have a lot of experience in hospitality, management, financial administration, constructions and capacity building. The last two years (2012-2014) they worked in Mpongwe, Zambia as a project manager and a financial manager for the NGO "Give the Children of Mpongwe a Future". One of their tasks was the coordinating of the Guesthouse, training a Guesthouse Manager and giving

workshops to the staff about general cleanness, good service and customer friendly behavior.

The couple will implement workshops, trainings and staff meetings in the Kamutamba Guesthouse. They will evaluate the staff on monthly basis. In the first months the employees will have to proof themselves. A probation contract will be given for 3 months. After these 3 months the Management Board will evaluate them and they might receive a permanent contract. Since the Guesthouse will strive to high standards of cleanness, customer service and quality food the staff has to be well trained, evaluated and show loyalty and commitment towards the Guesthouse.

The couple will invest time in training a good **assistant Guesthouse Manager** and will coordinate and follow up his work the first two years. After two years it will be possible for the assistant Guesthouse Manager to operate as the Guesthouse manager. He/she will know how the financial administration works, to train, motivate and support his staff and how to make policies, reports and contracts. The Guesthouse Manager will report on monthly basis to the Income Generating Activity Committee of the St. Theresa's Mission Hospital. He/she will explain the profit/losses, the wellbeing of the customers and the behavior of the staff. For important decisions and all financial matters he/she has to consult the IGA-committee that will make final decisions (when necessary together with the Management Board of the St. Theresa's Mission Hospital). On quarterly basis the (assistant) Guesthouse manager will report to the Management Board about the financial situation.

The IGA-committee consists of 5 people that are responsible for the Income Generating Activities for the St. Theresa's Mission Hospital and Sr. Chinese Nelly, the Hospital Administrator. The guesthouse management will report on monthly basis to the board about the wellbeing of the Guesthouse, the improvements, financial matters and the working behavior of the staff. Every month there will be a financial report that has to be approved by the committee. All the decisions will be taken in cooperation with the committee. On quarterly basis the couple will have a meeting with the Management Board of the Hospital.

The Guesthouse will keep every month 20% of the profit that it's generating. This will be used for new investments and maintenance. The Guesthouse Management has to make a 3-monthly investment and budget plan. The Management Board and the IGA-committee will take decisions based on the argumentation of the Guesthouse Management. They will also evaluate investments and the results of these investments.

4.6 Physical Evidence

It is very important that the expectations of the guests meet the quality performance of the Guesthouse. Therefore the Guesthouse Manager has to check the opinions of the guests to know about the gaps between the performance of the Guesthouse and the expectations of the guests. A checklist has to be made.

5. The Financial Plan

It is important for our Guesthouse to determine if it will be profitable or not. Also for our Bar and Restaurant it is necessary to know how to manage effectively the finances. In this part, we determine our operational costs (the fixed costs and the variable costs), the pricing and sales projections for our product and an estimation of our revenues. We calculated a breakeven point for the Guesthouse, Restaurant and bar, so we know exactly how many sales we need to cover our fixed costs.

5.1 The Start-up Costs

Start-up costs usually include significant one-time costs. Because the renovation of the Guesthouse will be funded by donors, there will be no loan that requires for a repayment.

5.2 The Financial Plan for the Guesthouse

5.2.1 Costs Guesthouse

A. Variable Costs for the Guesthouse (Rooms, Public Kitchen and Sanitary Block)

Wages Guesthouse		8 rooms occupied (KR/Month)	14 rooms occupied, Resto & Bar
<i>Nr</i>	<i>Function</i>	<i>Wages first 6 months (07/2015-12/2015)</i>	<i>Wages after 6 months (01/2016-...</i>
1	Guesthouse Manager	3.000,10 (Full Time)	3.000,10 (Full Time)
2	Guesthouse Manager Assistant	2.801,00 (Full Time)	2.801,00 (Full Time)
3	Cleaner 1	475,00 (Half Time)	950,00 (Full Time)
4	Cleaner 2	475,00 (Half Time)	950,00 (Full Time)
5	Guard 1	475,00 (Half Time)	950,00 (Full Time)
6	Guard 2	475,00 (Half Time)	950,00 (Full Time)
Total PAID PER MONTH		4.900,10	9.601,10

The wages are according to the Labor Laws of Zambia (see next page). In above-mentioned schedule you see that during the first six months only 8 rooms will be ready for occupation. Because of this, staff members will not work full time during this months. After the first 6 months of operating all 14 rooms will be open and all staff members will work on full time basis.

This schedule is based on the “The Minimum Wages and Conditions of Employment Act (Laws, volume 15, Cap 276)

General Wages following the Labor Law of Zambia (KR/Month)						
<i>Nr</i>	<i>Function</i>	<i>Basic Wage</i>	<i>Lunch All</i>	<i>Housing All (20%)</i>	<i>Napsa (10%)</i>	<i>TOTAL</i>
1	Guesthouse Manager (qualified clerk)	2.691,00	40,00	Managers House	269,10	3.000,10
2	Guesthouse Manager Assistant (receptionist)	2.510,00	40,00	502,00	251,00	2.801,00
3	Cleaner 1	700,00	40,00	140,00	70,00	950,00
4	Cleaner 2	700,00	40,00	140,00	70,00	950,00
5	Guard 1	700,00	40,00	140,00	70,00	950,00
6	Guard 2	700,00	40,00	140,00	70,00	950,00
7	Cook 1	1.002,39	40,00	200,48	100,24	1.343,10
8	Cook 2	1.002,39	40,00	200,48	100,24	1.343,10
9	Bartender (general worker)	700,00	40,00	140,00	70,00	950,00

Other Variable Costs		30-40 occupancy rate	50-65% occupancy rate
<i>Nr</i>	<i>Guesthouse Costs</i>	<i>First 6 months (KR/Month)</i>	<i>After 6 months (KR/Month)</i>
1	Maintenance	1.000,00	2.500,00
2	Cleaning Materials	800,00	2.000,00
3	Office Materials	100,00	200,00
4	Electricity	1.000,00	2.500,00
5	Transport	300,00	600,00
6	Water	60,00	60,00
7	Unexpected Costs (10%)	326,00	786,00
Total PAID PER MONTH		3.586,00	8.646,00

B. Fixed Costs

Fixed Costs		
<i>Nr</i>	<i>Cost</i>	<i>KR</i>
1	License Guesthouse	315,00
2	Fire Certificate (FC)	200,00
3	FC report and inspection	200,00
4	Guesthouse Insurance	1.198,80
TOTAL		1.913,80

The variable costs are based on the variable cost of a Guesthouse in Mpongwe (Copperbelt, Zambia)

After 6 months expectation: minimum of 50%

The first year after opening the Guesthouse, the price for the rooms will be 120 kwacha for 1 room for 1 night. The second year the Guesthouse will increase the price to 130 kwacha for 1 room for 1 night. The first year the Guesthouse has to generate a strong market position, good customer service and affordable prices in order to be competitive. In this year the building construction will still be in process, so it is possible that sometimes customers will be disturbed. A second reason is that not all the facilities will be available. The second year we can increase the price and provide the guests with eating and drinking possibilities within the Guesthouse and a quiet, peaceful environment. 130 kwacha is an affordable price for a quality room and it is still lower than the competition in the area.

BUSINESSPLAN KAMUTAMBA GUESTHOUSE

Expected occupation rate after 1 year will be minimum 65% occupancy

YEAR 2															
<i>ROOMS</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>Monthly</i>
<i>PRICE</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>TOTAL</i>
Feb-16	2.451	2.451	2.451	2.451	2.451	2.451	2.451	2.451	2.451	2.451	2.451	2.451	2.451	2.451	34.307
Mar-16	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	36.673
Apr-16	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	35.490
May-16	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	36.673
Jun-16	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	35.490
Jul-16	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	36.673
Aug-16	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	36.673
Sep-16	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	35.490
Oct-16	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	36.673
Nov-16	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	2.535	35.490
Dec-16	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	36.673
Jan-17	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	2.620	36.673

5.2.3 Profit Analysis

Formula = Revenues – Var Costs – Fixed Costs – Wages = TURNOVER

First 6 months expectation: Minimum of 35% occupancy rate

After 6 months expectation: minimum of 50%

Expected occupation rate after 1 year will be minimum 65% occupancy

YEAR 1	Revenues	Variable	Fixed	Wages	Total
	<i>Rooms (KR)</i>	<i>Costs (KR)</i>	<i>Costs (KR)</i>	<i>Staff (KR)</i>	<i>Profit (KR)</i>
Feb-15	9.408	3.586	159	4.900	922
Mar-15	10.416	3.586	159	4.900	1.930
Apr-15	10.080	3.586	159	4.900	1.594
May-15	10.416	3.586	159	4.900	1.930
Jun-15	10.080	3.586	159	4.900	1.594
Jul-15	10.416	3.586	159	4.900	1.930
Aug-15	26.040	8.646	159	9.601	7.793
Sep-15	25.200	8.646	159	9.601	6.953
Oct-15	26.040	8.646	159	9.601	7.793
Nov-15	25.200	8.646	159	9.601	6.953
Dec-15	26.040	8.646	159	9.601	7.793
Jan-16	26.040	8.646	159	9.601	7.793
TOTAL Profit after 1 year					54.977

YEAR 2	Revenues	Variable	Fixed	Wages	Total
	<i>Rooms (KR)</i>	<i>Costs (KR)</i>	<i>Costs (KR)</i>	<i>Staff (KR)</i>	<i>Profit (KR)</i>
Feb-16	34.307	8.646	159	9.601	16.060
Mar-16	36.673	8.646	159	9.601	18.426
Apr-16	35.490	8.646	159	9.601	17.243
May-16	36.673	8.646	159	9.601	18.426
Jun-16	35.490	8.646	159	9.601	17.243
Jul-16	36.673	8.646	159	9.601	18.426
Aug-16	36.673	8.646	159	9.601	18.426
Sep-16	35.490	8.646	159	9.601	17.243
Oct-16	36.673	8.646	159	9.601	18.426
Nov-16	35.490	8.646	159	9.601	17.243
Dec-16	36.673	8.646	159	9.601	18.426
Jan-17	36.673	8.646	159	9.601	18.426
TOTAL Profit after 2 years					214.013

5.2.4 Break Even Point

Fixed expenses	MONTHLY	YEARLY	DAILY	Per Room
Insurance/Licenses	159,48	1.913,80	5,32	0,38
TOTAL	159,48	1.913,80	5,32	0,38

Variable Expenses	MONTHLY	YEARLY	DAILY	Per Room
Maintenance	2.500,00	30.000,00	83,33	5,95
Cleaning Materials	2.000,00	24.000,00	66,67	4,76
Office Materials	200,00	2.400,00	6,67	0,48
Electricity	2.500,00	30.000,00	83,33	5,95
Transport	600,00	7.200,00	20,00	1,43
Water	60,00	720,00	2,00	0,14
Unexpected Costs	786,00	9.432,00	26,20	1,87
Wages	9.601,10	115.213,20	320,04	22,86
TOTAL	17.461,10	209.533,20	582,04	41,57

Break Even Analysis Fixed Costs	
Price per Guest per night	130
Minus variable Costs per Guest/day	42
Unit Contribution per Guest	88
Fixed Costs per year	1914
Divided unit contribution per guest	88
Yearly Breakeven Point	22

Sub conclusion: The Guesthouse needs 22 Guests per year to pay the fixed costs exclusive wages.

Break Even Analysis Fixed Costs + Wages	
Price per Guest per night	130
Minus variable Costs per Guest/day	19
Unit Contribution per Guest	111
Fixed Costs per year	117.127
Divided unit contribution per guest	111
Yearly Breakeven Point	1052

Conclusion

The Guesthouse needs 1051 Guests per year to pay the fixed costs and the wages for 1 year.

On monthly basis this would mean that the Guesthouse has to receive 88 guests per month. On daily basis this would mean that the Guesthouse has to receive almost 3 guests per day.

5.3 The Financial Plan for the Restaurant

5.3.1 Costs Restaurant

A. Wages	
<i>Function</i>	<i>Wages</i>
Cook 1	1.343,10
Cook 2	1.343,10
Total/month	2.686,20

B. Costs Ingredients				
	<i>Price/kg</i>	<i>Price/unit</i>	<i>Portions</i>	<i>Price/meal</i>
Chicken		30	6	5,00
Pork	20		5	4,00
Beef		70	5	14,00
Sausage		60	10	6,00
Fish		30	6	5,00
Kapenta		10	2	5,00

Rice	8		5	1,60
Milli Meal	3		5	0,60
Potatoes	4		2	2,00

Tomato		3	1	3,00
Onion		2	1	2,00
Rape		1	1	1,00
Cabbage		4	4	1,00
Carrots		5	2	2,50
Green Peppers		5	2	2,50
Beans		20	8	2,50
Total 1 portion				2,11

Cooking Oil		15	40	0,38
Vinegar		7,5	50	0,15
Salt		1	20	0,05
Species		39,2	40	0,98
Total 1 portion		62.7	150	0,42

C. Other Costs	
	<i>Use Resto/Month</i>
Electricity	300
Water	60
Transport	300
Gas	150
License Resto	26,25
Total	836,25

D. Food Costs Per Meal				
		<i>Nshima</i>	<i>Rice</i>	<i>Chips</i>
CHICKEN	5,00	0,60	1,60	2,00
Vegetables	2,11			
Other	0,42			
Total food cost per meal		8,12	9,12	9,52
PORK	4,00	0,60	1,60	2,00
Vegetables	2,11			
Other	0,42			
Total cost per meal		7,12	8,12	8,52
BEEF	14,00	0,60	1,60	2,00
Vegetables	2,11			
Other	0,42			
Total cost per meal		17,12	18,12	18,52
SAUSAGES	6,00	0,60	1,60	2,00
Vegetables	2,11			
Other	0,42			
Total cost per meal		9,12	10,12	10,52
FISH	5,00	0,60	1,60	2,00
Vegetables	2,11			
Other	0,42			
Total		8,12	9,12	9,52
KAPENTA	5,00	0,60	1,60	2,00
Vegetables	2,11			
Other	0,42			
Total cost per meal		8,12	9,12	9,52

Average Food Cost			
For 1 meal	8,25	9,11	9,45
Total Average Food Cost	8,93		

5.3.2 Cost Price and Revenues per Meal

Food Price per Meal				
		<i>Nshima</i>	<i>Rice</i>	<i>Chips</i>
CHICKEN				
Total food cost per meal		8,11	9,11	9,51
Total Price per meal		28,00	28,00	30,00
Revenues		19,89	18,89	20,49
PORK				
Total cost per meal		7,11	8,11	8,51
Total Price per meal		28,00	28,00	30,00
Revenues		20,89	19,89	21,49
BEEF				
Total cost per meal		17,11	18,11	18,51
Total Price per meal		35,00	35,00	37,00
Revenues		17,89	16,89	18,49
SAUSAGES				
Total cost per meal		9,11	10,11	10,51
Total Price per meal		28,00	28,00	30,00
Revenues		18,89	17,89	19,49
FISH				
Total cost per meal		8,11	9,11	9,51
Total Price per meal		28,00	28,00	30,00
Revenues		19,89	18,89	20,49
KAPENTA				
Total cost per meal		8,11	9,11	9,51
Total Price per meal		28,00	28,00	30,00
Revenues		19,89	18,89	20,49

Average Price			
for 1 meal	29,17	29,17	31,17
Total Average Price for a Meal			29,83

Average Revenue			
for 1 meal	19,56	18,56	20,16
Total Average Revenue for a Meal			19,42

5.3.3 Break Even Point

Breakeven	
Average Price Meal	29,83
Average Cost Price	8,93
Average Revenues per Meal	19,42
Monthly Fixed Costs (Wages + other costs)	3.522,45

Formula = Average Revenue Meal/Fixed Cost = 19,42/3.522,45

Monthly Break Even Point	181
---------------------------------	------------

Conclusion

The Restaurant has to sell 181 meals per month to start making profit.

On daily basis this means that the Restaurant is making profit after selling 6,5 meals per day.

5.4. The Financial Plan for the Bar

5.4.1 Costs Bar

A. Monthly Wages	
<i>Function</i>	<i>Wages</i>
Bartender	950,00
Total/month	950,00

B. Other monthly Costs	
	<i>Use Resto Monthly</i>
Electricity	300
Water	60
Transport	150
License Liquor	25,75
Total	535,75

5.4.2 Profit Marge

Beverages			
	<i>Cost Price</i>	<i>Selling Price</i>	<i>Profit Marge</i>
Water 25 cl	1,41	3,00	1,59
Cola 25 cl	1,52	3,00	1,48
Sprite 25 cl	1,52	3,00	1,48
Fanta 25 cl	1,52	3,00	1,48
Tonic 25 cl	2,91	6,00	3,09
Minute Maid 33 cl	4,58	8,00	3,42
Castle 33 cl	4,50	8,00	3,50
Mosi 33 cl	4,50	8,00	3,50
Hunters 33 cl	8,33	12,00	3,67
Windhoek Draught	7,50	12,00	4,50
Windhoek Lager	6,25	10,00	3,75
Total Average	4,05	6,91	2,86

5.4.3 Monthly Break Even Point

Formula = Fixed Costs / (selling price for 1 drink – Cost price for 1 drink) = 1.485,75 / 6,91 – 4,05

Monthly Break Even Point	519
---------------------------------	------------

Conclusion

The Bar has to sell 519 drinks per month to start making profit

On daily basis this means that the Bar is making profit after selling 17 drinks

Conclusion

The main goal of this plan is to provide the Kamutamba Guesthouse a proper guideline for their marketing activities, and later on to increase the number of guests in the Guesthouse (and therefore the raised money that the Hospital makes from the Guesthouse). For that reason it is important that the St. Theresa's Guesthouse obtains a strong position in the hospitality industry in the Masaiti and the Mpongwe District.

A Guesthouse is a simple and inexpensive business to start up and run. Especially in this case because the community has already a high number of visitors, students and volunteers that come for work, business or visits to the St. Theresa Mission Hospital and they all need good hospitality. There is competition in the area, but on a certain distance and working with very high prices. Our Guesthouse will promote affordable prices, a peaceful idyllic environment, a warm welcoming and high standards rooms. By following this plan, the Kamutamba Guesthouse will meet its financial goals and the expectations of the customers. By taking this exciting opportunity, we strongly believe in a good running Guesthouse with unlimited growth potential.