BUSINESS PLAN

FOR

**AFRICA SOFTWARE ARCHITECTS**



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EXECUTIVE SUMMARY

The proposed Africa Software Architects business is a 100% black owned IT tech startup firm that seeks to offer software solutions that will disrupt the way organizations will do business and this form of digitalization will help to significantly improve the growth rate of the African economy and accelerate rates of profitability.

After 2 years by end of the year 2020, Africa Software Architects targets to have 30 various IT specialist consultants who specialize in various fields ranging from Software Development to Artificial Intelligence.

Africa Software Architects company seeks funding of the amount ZARXXXXXXXX to use as capital for its startup operations. The pay—back period (worst case) of this initial investment is 1 year 4 months.

Acronyms

**ASA Africa Software Architects**

**IT Information Technology**

ICT Information Communication Technology

CIPRO Companies and Intellectual Property Commission

SASTQB South African Software Testing Qualifications Board

SAP Systems, Applications and Products

GDP Gross Domestic Product

**OFO Organizing Framework for Occupations**

**Apps Applications**

**YES4Youth Youth Employment Service for Youth**

1.1 Company Information

**Africa Software Architects,** abbreviated **ASA,** is a 100% black owned startup IT consultancy firm specializing in the next-generation digital services. ASA helps businesses through their digital journey by making enterprise software solutions and other digital services through skilled IT specialist consultants. ASA believes it will be the ideal firm that will help small enterprises and large enterprises with digital transform to steer company growth and accelerate rates of profitability for each business.

ASA is a tech-startup that empowers its business clients with agile digital project management to improve employee performance, project performance and team performance.

ASA seeks to leverage technologies in web development, mobile app development Artificial Intelligence, Robotics Process Automation, Cloud Computing solutions, big data analytics,

ASA is currently located in Sunninghill Park, Sandton in Gauteng province in the Republic of South Africa.

**Enterprise Name**: Africa Software Architects

**CIPRO Registration Number**: 2018/625222/07

**Type of Entity:** Pty

Our company was registered on the 6th of December 2018, with CIPRO, and the founders and directors of the company are Mr. Arthur Tapiwa Gwatidzo and Mr. Edson Jengwa.

Mr. Arthur Tapiwa Gwatidzo is a black African male aged 35 years of age, born on the 12th of November 1983. Arthur has about 12 years working experience in the field of Information Technology. Arthur spent 9 years in software development in different specialty areas in the banking, agricultural, training and health companies located in both Zimbabwe and South Africa. Arthur has worked for several top international companies including Investec Bank, Accenture, Discovery, First National Bank (FNB), Pearson Education (formerly CTI Education Group South Africa, Interfin Bank Zimbabwe amongst other companies. Arthur Gwatidzo completed a Bachelor of Science Honors degree in Computer Science at the Midlands State University. Arthur also possess several international certifications for Advanced level Java Software Development with Oracle University (USA), and other professional certifications with SASTQB and the Disciplined Agile Consortium board. Currently, Arthur is a Senior Java Software Developer and possesses an accolade of top achiever’s innovation award, awarded by FNB Bank in November 2016. This accolade offered Arthur and other FNB award winners an opportunity in the year 2017 to represent the Bank in conducting digital innovation research at Facebook, Google, SAP, Tesla, Western Union in California, USA. The results of the research helped to add value to FNB to innovate in digitalization of some of its business operations.

Edson Jengwa …..<<to complete this section>>

CORPORATE VISION

To be Africa’s leading end-to-end digital technology partner bringing disruptive and radical new ways of engaging and doing business to our business clients.

CORPORATE MISSION

To help every business client of ours become a best-run business and deliver value creation through our innovative digital technology services, ultimately improving the state of the world.

CORPORATE CORE VALUES

* Innovative
* Agile
* Technology Driven
* Integrity
* Customer-centric

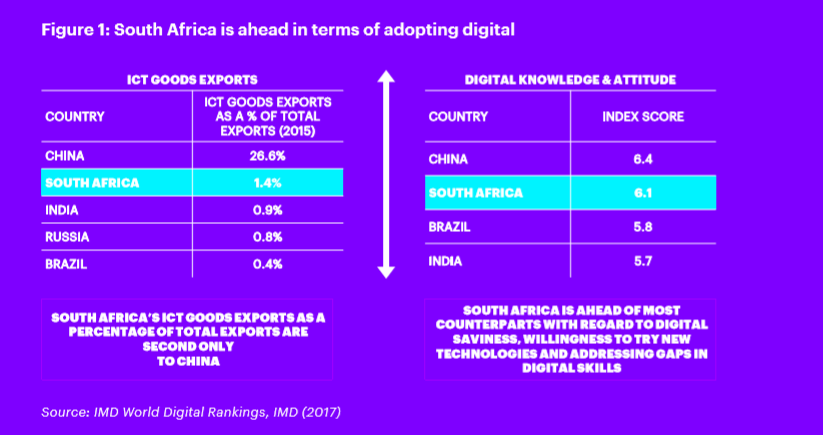
1.1 Problem Statement

The major problems faced by South Africa include, skills shortage, job losses and high youth unemployment rate [9] [10].

ASA will help create employment opportunities to the nation of South Africa and the African continent at large. ASA will achieve this mandate, by leveraging on digital technologies and exploitation of Industry 4.0 principles. Many research articles have mentioned that Web Development, Software Development,

Dubbed by the terms *Industry 4.0* [1][2][3][7] refers to an integration of the advancements in IT, services and manufacturing. And the 8 IT pillars of Industry 4.0 are adaptive robotics, data analytics and artificial intelligence, embedded systems, communication and networking, such as industrial internet, cloud systems, additive manufacturing and virtualization technology.

The company, Africa Software Architects has identified a gap between unemployment and high skills shortage within the field of software development and artificial intelligence in the digitalization of products and services in the industry of South Africa. Statistics South Africa has recently reported in 2017b[14] that the ICT sector made a higher economic contribution to the South Africa, even better than the agricultural sector. Some articles have reported a significant rise in the need for digital automation in the economy of South Africa.



Source: Diagram adapted from Accenture Consulting [4]. Creating South Africa’s future workforce. *Digital Puts one in three jobs at risk.* Page 5.

In the European Union, the use of IT enabling technologies in Industry 4.0 revolution has contributed to 17% of their GDP which resulted in the creation of an estimate 32 million jobs [3].

With reference to the jobs listed in the List of Occupations in High Demand released by the South African government[5] (See Page 8 to Page 18 of the South African government’s publication), the job roles of ICT Project Management manager(OFO code:133102) , Data Management Manager(OFO code:133103) , Application/Software Development Manager( OFO code: 133104), IT Manager(OFO code: 133105), Information Systems Director(OFO code: 133106) are all marked as having the ***Highest*** level of demand in South Africa. The occupations of Architect (OFO Code: 216101), IT Systems Analyst (OFO code: 251101), Software Developer (OFO code: 251201), Programmer Analyst (OFO: 251202), Developer Programmer (OFO code: 251203) Applications Programmer (OFO code: 251401) having marked by the SA government as occupations with ***Higher*** level of demand in the economy of South Africa. Web Developer (OFO code: 251302), Database Designer and Systems Administrator (OFO code: 252101), Database Designer and Administrator(OFO code: 252101), Computer Network and Systems Engineer(OFO code: 252301), Network Analyst(OFO code: 252102), ICT Security Specialist (OFO code: 252901), are some of the IT related jobs deemed of ***high*** level of demand in the South African industry.

The tech company, Africa Software Architects will create job opportunities in the above-mentioned specialist areas of job occupations, and these job opportunities will be granted by ASA to some young local South Citizen professionals (between 18 years and 35 years of age, both male and female) who have recently graduated and completed college or university. ASA will also grant opportunities to highly experienced experts in the above-mentioned positions so that newly intern or graduate trainees can easily be upskilled by senior employees. ASA also believes this strategy will help in the achievement of YesForYouth [6] for youth empowerment in South Africa, an initiative spearheaded by His excellency the president of the Republic of South Africa, Cyril Ramaphosa, in partnership with other supportive SA government institutions and the private sector.

Africa Software Architects will attract employees in a structured manner that will comply with B-BBEE Codes of Good Practice [7][8].

We also believe that this is a good time to venture into the ICT industry as South Africa has recently gone out of recession as the GDP of the country has risen by 2.2% ending the year 2018 [16]

1.2 Business Concept

As described in the sub-section 1.1 our business will focus in offering digital value to all companies in various industry sectors, locally in South Africa and across the African continent. The services are itemized below:

**1.2.1 Africa Software Architects’ Digital Services**

Digital skills underpin growth across the economy and are vital to ensuring competitiveness and productivity of both SMEs, government institutions and large corporate enterprises.

The focus areas of Africa Software Architects are:

* Software Development
* Robotics Process Automation
* Artificial Intelligence
* Performance Testing
* Business Analysis
* Agile Project Management
* DevOps
* Software Testing Automation
* Big Data Analytics
* Cloud Computing Solutions

The above focus areas align with the current demand for digital skills, in South Africa and the African continent.

1. Software Development

Africa Software Architects develops innovative custom software products and offers them on-premise of our business clients or as cloud-hosted business platforms. We believe that software and automations will contribute towards a massive shift in the economy of South Africa and the African continent.

1. Robotics Process Automation
2. Artificial Intelligence
3. Performance Testing
4. Business Analysis

ASA’s business analysis professionals will help our software development teams or our business client’s software developers to understand the business requirements. They foster communications.

1. Agile Project Management

Digital transformation is about revolutionising the way business is done and future-proofing your organisation for the continuously changing internal factors, external competitors, industry trends and new technologies. An agile approach to rolling out new initiatives across the business will ensure all teams involved can quickly adapt and deliver value often – the key to innovation and surviving in a rapidly developing digital world.

<<References and examples, I which Agile development helped companies to perform better>>>

1. DevOps
2. Software Testing Automation
3. Big Data Analytics
4. Cloud Computing Solutions

2.1 Sales & Marketing Strategy

2.2 Market Survey

**2.3 Target markets**

2.4 Competitive Strategy for Africa Software Architects

2.4.1 Application of Porter’s 5 Forces Model

2.4.2 SWOT Analysis

**3.0 OPERATIONAL PLAN**

3.4 Africa Software Architects Strategic Plan

* **Foster Industry Collaboration**

ASA believes that making strategic alliances with other international key organizations in specialty areas like Big Data Analytics and Artificial Intelligence, can help us empower our local specialists here in South Africa.

* **Focus on Transferable Digital Skills**

3.6 Production Performance: Monitoring & Evaluation Strategy

**3.8 Product Pricing**

3.9 Organizational Plan and Partnership Strategy

**3.10 Training and Capacity**

3.11 Risk Management

4.0 FINANCIAL PLAN

4.2 Funding Requirements

4.2.1 Breakdown of the operational costs

4.3 Costing

Variable Costs

Fixed Overheads

Net Profit

4.4 Sensitivity Analysis

Sensitivity analysis determines how different values of an independent variable affect a dependent variable under a given set of assumptions.

*Diagram 1.8 Sensitivity Analysis diagram*

4.5 Projected Income

5 Year Projected Income

*Diagram 1.9 Projected Income Statement*

4.6 Balance Sheet

*Diagram 1.10 Balance Sheet Financial Statement*

4.7 Payback Period

*Diagram 1.11 Illustration for Payback Period*

**4.8 Net Present Value**

Net Present Value is the difference between the present value of cash inflows and the present value of cash outflows over a period.

NPV is used in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

NPV will indicate how much value an investment or project add to the business

4.9 Breakeven Analysis

*Diagram 1.12 Numerical result for Breakeven Analysis*

*Diagram 1.13 Break even table for*

**4.9.1 Breakeven Chart**

*Diagram 1.14 Breakeven chart for*

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**Annexure**