



Business Plan

Box #2329 200 Campus Drive
Grove City, Pa 16127
Mooreaw1@gcc.edu

Alexander Moore

Tristan Ruml

Joshua Sauer

Confidentiality Agreement

This agreement is to acknowledge that the information provided by Matatu Enterprises in this business plan is unique to this business and confidential; therefore, anyone reading this plan agrees not to disclose any of the information in this business plan without the express written permission of Angel Dentistry.

It is also acknowledged by the reader of this business plan that the information furnished in this business plan, other than information that is in the public domain, may cause serious harm or damage to Matatu Enterprises and will be kept in the strictest confidence.

Upon request, this document is to be immediately returned to Matatu Enterprises

Signature _____

Name (typed or printed) _____

Date _____

Table of Contents

1 Executive Summary.....	4
2 Uganda Country Profile.....	8
2.1 Investment Safety	
2.2 The Government and Corruption	
2.3 Risks of Foreign Investment	
2.4 Social Entrepreneurship in Uganda	
2.5 Cost of Living/Quality of Life	
3 The Concept.....	12
3.1 Problem Statement and Analysis	
3.2 Summary	
3.3 Opportunity Recommendation	
3.4 Missionary Managers	
3.5 Business Model	
4 The Market.....	17
4.1 Industry Overview	
4.2 Market Segmentation	
4.3 Target Market	
4.4 Potential Product Openings	
4.5 Barriers to Entry	
5 The Competition.....	20
5.1 Concentrated control of the market	
5.2 Competitive Advantage	
5.3 Loss of Revenue Strategy For Vehicle	
6 Marketing Plan.....	22
6.1 Marketing Strategy	
6.2 Marketing Timeline	
6.3 Positioning	
6.4 Distribution Plan	

7 Established Company.....	24
7.1 Legal Status	
7.2 Founders	
7.3 Board of Directors	
7.4 Founders Agreement	
8 Operations Plan.....	26
8.1 Contract for Management	
8.2 Contract for Drivers	
9 Capitalization.....	27
9.1 First Tier Investments	
9.2 Second Tier Investments	
9.3 Planned Exit Strategy	
10 Pro Forma Financial Statements/Revenue Assumptions.....	29
10.1 Bus Revenue	
10.2 Revenue Distribution	
10.3 Driver Equity and Ownership	
10.4 Bus Purchases	
10.5 Pro Forma Financial statements	
10.6 Notes to Financial Statements	
10.7 Financial Highlights	
Appendix.....	40

1 Executive Summary:

Introduction

Matatu Entreprises is a non-profit social enterprise based in Kampala, Uganda that utilizes a uniquely modified approach to the existing transportation industry to create jobs, increase savings, and empower individuals in Uganda to become entrepreneurs.

Key Terms



Matatu: A 14 passenger mini-bus used as the primary form of public transportation within Uganda, especially around the capital city of Kampala. Also called a taxi.

Boda-Boda: A motorcycle taxi that holds up to three people – driver and two passengers.

Trip: When a matatu goes from outside the city to the city center, then back. A trip is comprised of two runs

Run: Half of a trip made by a matatu into the city from a suburb or from the city to the suburb.

Stage: Stops made along the road during a run where matatus pick up additional passengers.

Escrow: An account held in trust.

Driver: Responsible for the operation and maintenance of vehicle.

Conductor: Works with the driver and is responsible for customer relations and handling the influx and outflow of cash with the passengers.

Background

While spending a summer in Uganda as an intern for Tinga Tinga Capital, a non-profit based out of Pittsburgh, Alex Moore utilized various forms of public transportation for the daily commute in and out of the capital city of Kampala. The most prolific and cheapest form of transportation is the matatu or mini-bus/van taxi. Because the vehicles are individually owned and no matatu brands exist, the market is highly fragmented with no clear market leader. During his experience, Alex learned many of the same lessons taught in *When Helping Hurts* by David Platt. Platt writes about the importance of aid that comes alongside the recipients instead of the stereotypical Western approach of handouts and aid-dumping. Matatu Enterprises holds paramount the belief that it is better to teach a man to fish than to simply give him a fish and aims to “teach Ugandans to fish” through training and providing a mechanism for getting out to open water.

Omar and Ivan



Alex's daily utilization of the matatu taxis granted him ample time and opportunity to analyze the industry. Then he met Omar (matatu driver) and Ivan (matatu conductor), and the newly formed friendship brought about the inspiration and genesis of Matatu Enterprises.

Omar and Ivan have been in the matatu industry for over two years. They work 15+ hour days starting at 6 am and often not

finishing until after dark. They pay \$30-40 each day to rent the car from a private owner, then the two of them split \$10-15 (US) as their daily income. Omar and Ivan are both parents raising children. They came to the city in search of a better life and with aspirations of owning their own business and matatus. Yet, when the main and often sole breadwinner in a family only makes \$5-7 a day, once the cost of living is subtracted from their income, there is no way to save money to step into an ownership position.



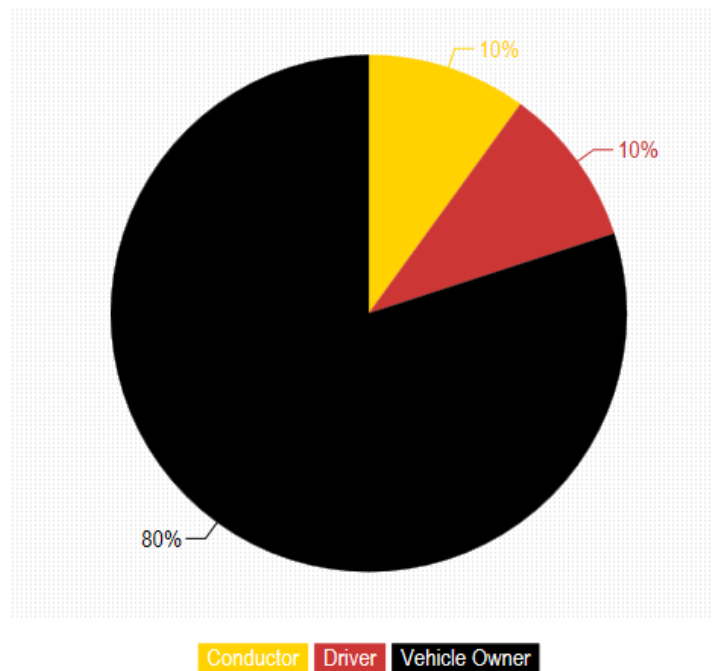
The Matatu Enterprises Solution

Starting with Omar and Ivan, Mutatu Enterprises will recruit trustworthy and safe drivers through recommendations from other drivers or customers to be a part of a drive-to-own program where drivers are taught business principles, work ethic, and customer service in order to prepare them to become business owners. As the owner of the car,

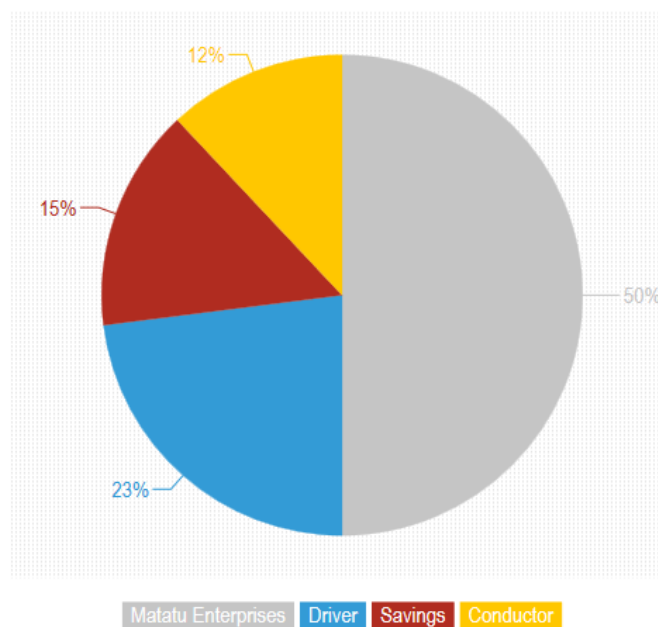
Mutatu Enterprises will take 15% of its *owner* income and put it into a savings account for the *driver* (as opposed to the traditional system where the vehicle owner takes around 80% of the average daily revenue made by the vehicle). In a little more than four years of regular work, the savings from this account will be credited to the driver for purchase and ownership, which quadruples a driver's daily income, of the very vehicle they have been driving and maintaining over the last four years.



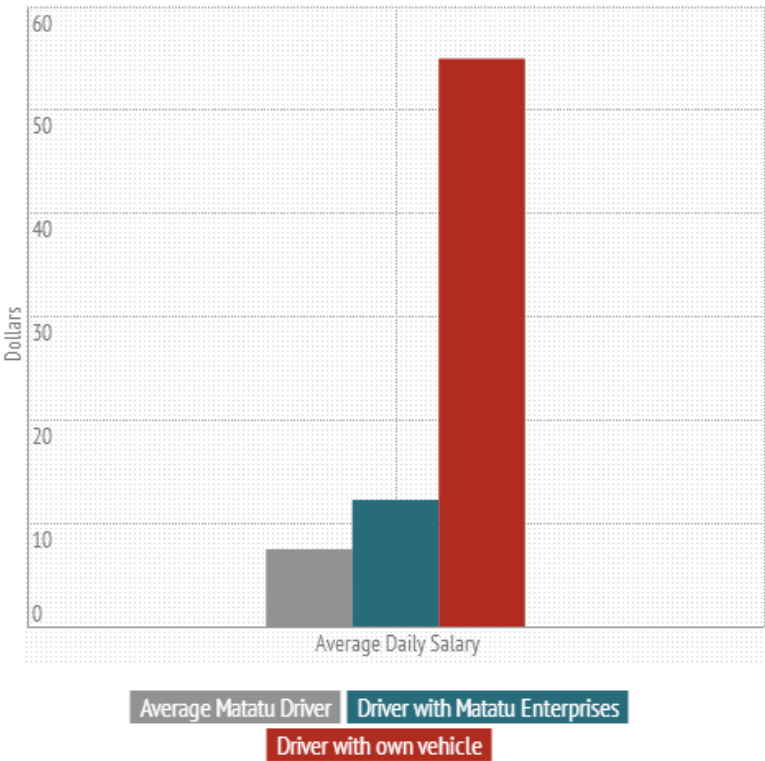
Traditional Daily Income (Single Vehicle)



Matatu Enterprises Daily Income (Single Vehicle)



Ownership Income



2 Uganda Profile

During the summer of 2012, Alex Moore spent a little under two months in Uganda. He used public transportation via matatu and boda-boda on a daily basis, thus granting him a deep level of familiarity with the nuances of the industry. The section below gives a more robust explanation of the investment climate in Uganda based off of his personal experience and scholarly sources.

2.1 Investment Safety

According to various sources, such as the CIA, the US State department, and Unicef, “Uganda is a landlocked republic with a *developing* economy in central eastern Africa”¹. It is “eligible for preferential trade benefits under the African Growth and Opportunity Act. U.S. exports to Uganda include machinery, optic and medical instruments, wheat, and aircraft. U.S. imports from Uganda include coffee, cocoa, base metals, returns, and fish and seafood. The United States has signed trade and investment framework agreements with the East African Community and with the Common Market for Eastern and Southern Africa. Uganda is a member of both regional organizations.”² African Magazine reported that “in the 2011-2012 financial year, because of a slump in the global economy and the financial crisis sweeping Europe...Uganda’s economy grew by only 3.2%, one of the lowest growth rates in the last quarter century. To make matters worse, inflation rose at the same time to 30%, though it is down to 18%”³(The current inflation rate, according to tradingeconomics.com, is now between 3-4%⁴). Thus, while it is true that Uganda does not have the strongest economy, the Ugandan economy does continue to show growth and continuing government reform makes it even safer for investments. See Exhibit A for a more robust report on the Ugandan economy.

2.2 The Government and Corruption

The Ugandan government has a reputation for government intervention and corruption. In Aon’s (a global insurance provider) 2012 Political Risk Report that analyzes risks in each country rated Uganda a Medium-High level of political interference in business affairs⁵. Concerning the government’s sentiment towards foreign investing, New African Magazine reported President Museveni’s views, saying, “He said in his State of the Nation Address that Ugandans should treat investors as would brides, because the country’s future depends on investors (both local and foreign) who build factories and other industries.”⁶ The government is in favor of foreign investment and sees it as a way to build the economy and provide jobs. The government also received an average score of 6.5 on the political stability index⁷.

¹ http://travel.state.gov/travel/cis_pa_tw/cis/cis_1051.html#country

² <http://www.state.gov/r/pa/ei/bgn/2963.htm>

³ Wanted: more investors. *New African* [serial online]. October 2012;(521):12-13. Available from: Academic Search Premier, Ipswich, MA. Accessed April 6, 2013.

⁴ <http://www.tradingeconomics.com/uganda/indicators>

⁵ <http://www.transparency.org/cpi2012/results>

⁶ Wanted: more investors. *New African* [serial online]. October 2012;(521):12-13. Available from: Academic Search Premier, Ipswich, MA. Accessed April 6, 2013.

⁷ http://www.countrywatch.com/cw_topic.aspx?type=text&vcountry=178&topic=INTRX&GLOBAL=true

Thus, while the government is not as stable as a first or second world country, it is doing a good job of making improvements. Lastly, according to countrywatch.com – a scholarly statistics database – Uganda ranks 130/176 on the corruption perceptions index. The highest rank (and most transparent) country being New Zealand at number one and the lowest ranked being the war-torn country of Somalia.

2.3 Risks of a Foreign Investment

One of the dangers currently faced by boda-boda drivers is the possibility of a passenger using force or even violence to steal the vehicle. Matatus are a good bit safer than boda-bodas in this regard, but still face some danger of people attempting to overtake the vehicle. Thankfully, by operating as a driver/conductor operation, there are two people in each vehicle that work in tandem and provide an extra level of safety. For additional theft protection, each vehicle owned by Matatu Enterprises will have a GPS tracking system installed to serve as a means of monitoring the drivers and locating the vehicle if it were to be stolen.

In order to further vet risks, Matatu Enterprises will only select drivers from within existing networks of matatu drivers, and drivers recommended by passengers or other drivers. Matatu Enterprises will perform the necessary due diligence of visiting the recommended drivers' home and talking to friends and family to insure that they will fit the Matatu Enterprises branding.

Aon's 2012 Political Risk Report stated that the Ugandan banking system is a Medium-low risk for businesses operating in the area.⁸ The US State Department said of Ugandan investing opportunities in the future, "Strong economic growth, open markets, and abundant natural resources - including at least 2.5 billion barrels of recoverable oil - provide good opportunities for knowledgeable investors in Uganda."⁹ Michigan State's Global Edge Resource differs though and rated Uganda's risk as a C-. The stated reason for this low score was because of poor infrastructure.¹⁰ However, Mutatu Enterprise's operation in the capital of Kampala, a central transportation hub eliminates most of the concerns presented by country-wide infrastructure problems.

2.4 Social Entrepreneurship In Uganda

Since the early 2000's, Uganda has seen an influx of missionaries and NGO's, especially since 2007 when the government successfully drove Joseph Kony and the LRA out of northern Uganda¹¹. In addition, many micro-finance groups have formed and begun to work in Uganda as well. These groups include Kiva¹², an internationally recognized micro-finance agency as well as smaller groups like Tinga Tinga Capital¹³. The most interesting and related form of social entrepreneurship is a very new company called

⁸ http://www.riskmap.aon.co.uk/Political_Risk_Map.aspx

⁹ <http://www.state.gov/e/eb/rls/othr/ics/2012/191256.htm>

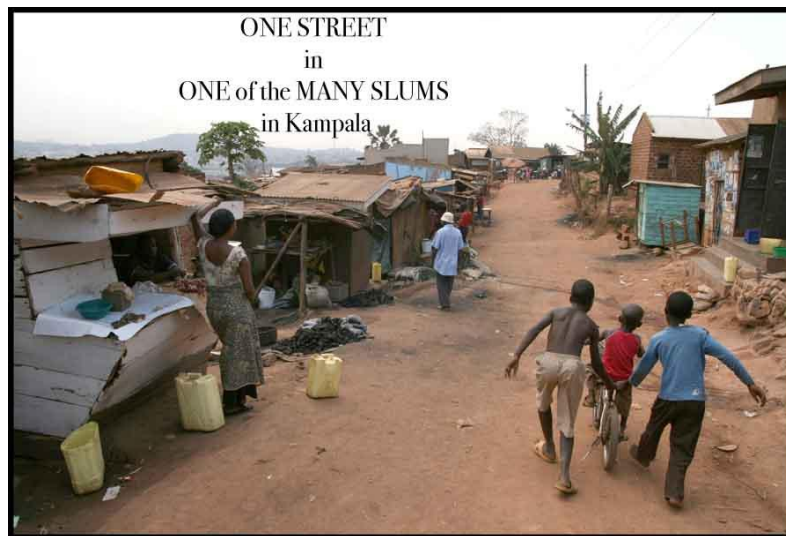
¹⁰ <http://globaledge.msu.edu/countries/uganda/risk/>

¹¹ <http://www.state.gov/r/pa/ei/bgn/2963.htm>

¹² <http://www.kiva.org/>

¹³ <http://tingatingacapital.com/>

Tugende Driven¹⁴. This company runs a drive-to-own program for boda-boda drivers, and has begun to receive significant funding through the Unreasonable Institute¹⁵. Tugende Driven serves as an excellent model and example of how to do social entrepreneurship within the transportation industry of Uganda. The company has grown so quickly there is currently a waiting list of qualified and peer-recommended drivers waiting to become a part of the Tugende Program, and is seeking its first round of outside investment to help the company grow even faster to meet the needs of their customers – the boda-boda drivers.



2.5 Cost of Living/Quality of life

According to data collected by Unicef, 29% of the Uganda population is below the international poverty line of \$1.25 (US) per day. Enrollment in lower secondary education is 33%, while upper secondary education is 15%. In contrast, primary school attendance is 77% of primary school aged children¹⁶. The Ugandan government provides “government schools” for primary schooling, but after the first seven years of primary schooling, students must pay “school fees” to attend secondary schools. “Often the government run schools are very crowded with over 60 students in one classroom. Occasionally, a class may not have a teacher at all. In rural areas, some schools may be meeting under a tree. Some may discriminate against female students.”¹⁷ Many parents elect to send their children to private schools to provide a better education, but this causes even more costs to the household.

“The family must pay for uniforms (required at all schools), possibly a particular type of shoe, a sports uniform, school supplies, exam fees, and possibly other “minor” items which are huge to a poor family. Typical primary school required costs range from \$50 to \$150 for day schools...secondary school fees are more often in the \$300 to \$450

¹⁴ <http://tugendedriven.com/about>

¹⁵ <http://unreasonableinstitute.org/>

¹⁶ http://www.unicef.org/infobycountry/uganda_statistics.html

¹⁷ http://outreachuganda.org/How_Schools_Operate.htm

range for day schools. Boarding schools are typically from \$650 to \$850 or more when all costs are considered.”¹⁸

School fees are one of the most burdensome costs to a family, and when parents or students are unable to pay them, the student is not allowed back into the school. With an average of five persons per household,¹⁹ the financial burden of paying school fees becomes quite significant. This, in part, explains the significant decrease in enrollment from primary to secondary school.



The prevalence of AIDS is another factor contributing to quality of life. 6.5% of the Ugandan population has AIDS, which is actually a significant decrease from 15% in the 1990's²⁰. The high number of people below the poverty line, paired with low education rates, only contributes to this number. Prostitution, crime, broken and fractured families, and low-levels of sanitation are, unfortunately, common problems in the developing world. Matatu drivers typically fall about \$5 above the poverty line, which puts them at a slightly higher standard of living than poverty, but cost of living gets higher the closer one gets to the city. In addition, matatu drivers typically work over twelve hours, six days a week, but an accident or illness can quickly put a matatu driver and his family in a very tough spot financially. Even without an accident or illness, many matatu workers struggle to make enough money to pay for the school fees, thus crippling their children's development.

¹⁸ http://outreachuganda.org/How_Schools_Operate.htm

¹⁹ www.ubos.org/onlinefiles/uploads/ubos/pdf%20documents/Uganda%20DHS%202006%20Key%20Findings.pdf

²⁰ http://en.wikipedia.org/wiki/HIV/AIDS_in_Uganda

3 The Concept

Inspired by the belief that entrepreneurship and value creation is the key to successful economic development in the developing world, Matatu Enterprises provides a way for transportation industry workers to become business owners and to contribute to their community through a drive-to-own program. (See Exhibit B for a personal example of how business and customer service training through a mission organization helped a person Alex met start his own business).

3.1 Problem Statement and Analysis

Besides addressing the very obvious problems associated with poverty, Matatu Enterprises also addresses issues within the very specific matatu industry. In Uganda, the main form of public transportation is a 14 passenger van known as a matatu or taxi. These taxis are privately owned and operated by two hired employees – one driver and one conductor. “Employers of the drivers and owners have no legal obligation to assist the drivers since there is no written contract.”²¹ Each day, matatu drivers pay a rental fee to the owner of the car, and then proceed to work as hard as possible to make an income after paying the rental fee. On a normal work day, “an average of 12 hours/7 trips per day [one run is half a trip], the driver brings home around 20,000 Ugandan Shillings (Ug.Sh.) (Approximately US\$11.80)”²². “Income is sporadic and hardly guaranteed. Family needs range from, at a minimum, Ug.Sh 2300-16100 (\$3---7) per day.”²³

This leaves virtually no income left over for saving money to either gain ownership of a vehicle (which would quadruple a drivers income) or to pay for future emergencies to the individual or their family. Even though the transportation industry is one of the largest employers in Uganda and East Africa, the current situation cripples the economic development for these workers. Unless a driver works longer than the twelve hours they already work on a given day, there is no way to make enough money to actually save for the future.

The matatu industry, simultaneously, has a reputation of being corrupt, inefficient, and dangerous. This is, in part, due to a lack of regulation around the industry, but also due to a lack of brand competition in the industry. There are no established matatu brands that provide healthy competition based on positioning themselves as safe, efficient, and courteous. This causes user experience to vary significantly from matatu to matatu. Some matatus wait until every last seat is filled, while others will leave without

²¹ Kamuhanda, R., & Schmidt, O. (2009). Matatu: A Case Study of the Core Segment of the Public Transport Market of Kampala, Uganda. *Transport Reviews*, 29(1), 129-142.
doi:10.1080/01441640802207553

²²Kamuhanda, R., & Schmidt, O. (2009). Matatu: A Case Study of the Core Segment of the Public Transport Market of Kampala, Uganda. *Transport Reviews*, 29(1), 129-142.
doi:10.1080/01441640802207553

²³ "Society for International Development Forum." *Society for International Development Forum*. Society for International Development, n.d. Web. 15 Mar. 2013.
<http://www.sidint.net/docs/RF22_Informal_Transportation.pdf>.

every seat being filled. Some drivers drive safely, others are reckless. This inconsistency has earned the matatu industry a bad reputation.

Problem Status: There is no clear path to entrepreneurial ownership for matatu drivers. While renting the matatu provides enough income to *survive* in Uganda, it does not provide enough income to *thrive* or save money for tough economic times. Drivers, instead, “*live to survive another day*”. Ownership provides an increase in income that, when paired with training in responsible business practices and personal finance, will enable our drivers to provide for their families, pay school fees, and break out of the poverty cycle.

3.2 Summary

Without a means to gaining ownership of their own vehicle and employment on a non-contractual platform, income is limited and far from guaranteed for drivers. The current loan environment is far from favorable for the majority of the Ugandan population (real interest rates are 16.1% and above, with high collateral required)²⁴, thus making financing for ownership very difficult as well. (By comparison, a boda-boda or motorcycle taxi [another large part of the transportation industry that employs an estimated 70,000 people] cost much less to buy, and still 56% of these are rented by the operator instead of being owned.)²⁵ Because drivers are not able to gain ownership of their vehicles, they make three-to-four times less than they would if they owned their own vehicles. In addition, drivers often times support families and extended families through their income, but the current system makes even paying school fees for their own children difficult (not to mention helping support their extended family). Some drivers, in order to maximize daily profit margins – after paying the daily rental fee – resort to recklessness. Recklessness, in turn, affects the entire country’s transportation sector and leads to increased traffic accidents.

If the industry continues the way it is currently, these problems will continue as well. As the children of drivers are forced to leave school prematurely (due to their parent’s inability to pay school fees), the cycle of poverty will only persist and even grow, because these children will be forced to begin working low-paying jobs to survive. It is not unreasonable to assume that the number of people with AIDS will also increase at the same time as these children fall further into slum culture. Matatu Enterprises wants to see children like Omar and Ivan’s break out of the cycle of poverty that devastates so many countries in East Africa.

3.3 Opportunity Recommendation

Matatu Enterprises breaks the cycle of poverty by providing a means to dignity, ownership, and increased income. The Matatu Enterprises drive-to-own program, which will be supplemented by training courses in business, finance, and customer service, offers an alternative to the daily-hire-

²⁴ <http://www.tradingeconomics.com/uganda/real-interest-rate-percent-wb-data.html>

²⁵ Howe, J. (2003). 'Filling the middle': Uganda's appropriate transport services. *Transport Reviews*, 23(2), 161-176.

without-contracts approach that permeates the industry. By coming alongside the drivers, Matatu Enterprises provides a contract-based way for a driver's daily work to go towards a savings account for buying the very car they drive within four years of working for Matatu Enterprises. This provides drivers a way to invest in themselves through building capital that allows them to save for the long-term, to earn a larger profit, and to help their families and communities. To counteract the negative reputation, safety problems, and customer service shortcomings of the matatu industry, Matatu Enterprises will provide driver training (topics covered will include: business principles, finance, customer-service, etc), incentives for safe driving, and continually instill and reinforce core values such as excellence, safety, and integrity through quarterly training seminars and weekly ride-alongs with the Matatu Drivers. Training, ride alongs, overnight parking, and weekly inspections will be performed by a manager hired by Matatu Enterprises.

3.4 Missionary Managers

In order to save money and support mission organizations, these managers will be missionaries already active in Uganda who will partnered with Matatu Enterprises. Partnering mission organizations will perform quarterly training seminars, bi-weekly ride alongs, weekly comprehensive maintenance checks, and give the keys to the drivers each morning. Matatu Enterprises will compensate them for their work with an annual stipend of \$5000/year (Managers will work 4-5 hours each week). Matatu Enterprises is in the process of negotiating a contract with the missionaries Alex stayed with this summer. These missionaries (Doors Ministries²⁶) are already closely acquainted with Omar and Ivan and utilize their services on a regular basis. This makes the Doors Ministry the perfect fit for launching the Matatu Enterprises program.



As the brand grows one vehicle at a time, the impact made by Matatu Enterprises will grow as well – both through direct contact and long-term relationships formed between the drivers and the missionaries managing the enterprise, and through the drivers growth in financial stability. The Matatu Enterprises brand will also provide an infrastructure of support and investment protection for matatu drivers that is rooted in a trusting community. Because missionary like the Doors Ministries are well connected among missionaries in Uganda, Matatu Enterprises will utilize their networks within the mission field to select future ministry partners for managing new sites.

3.5 Business Model

From the ground up, the business model works as follows: Matatu Enterprises hires a driver who has been peer or customer recommended. Matatu Enterprises then supplies the driver with a new or slightly-used matatu that the driver will own in 4-5 years. Matatu Enterprises will then train the driver in customer-service, basic maintenance, business principles, and personal finance through quarterly

²⁶ <http://hispicketfence.blogspot.com/> / <http://www.facebook.com/DoorsMinistries>

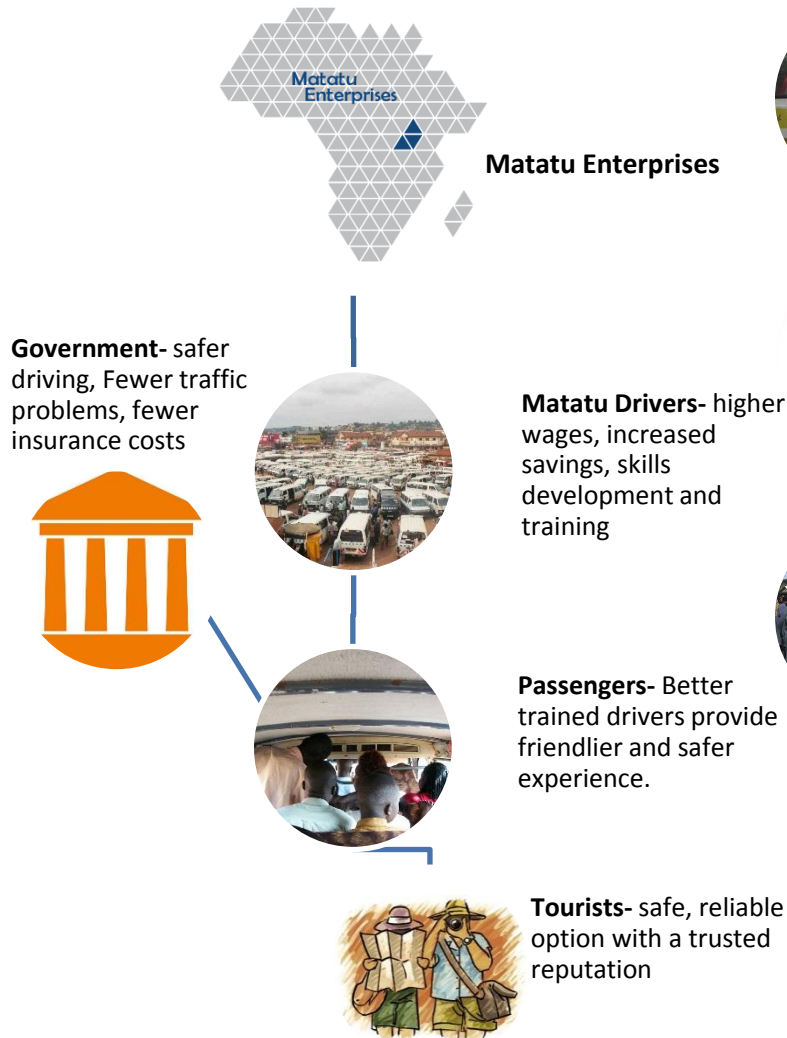
training sessions. These training sessions will be administered by the managers who oversee the program, and designed/implemented through organizations such as Lead 555²⁷ (a leadership training group based in Uganda: Exhibit C). The desired end “product” would be a matatu driver similar to the taxi driver highlighted in Exhibit D.

Drivers in the Matatu Enterprises program will gain revenue off of a transactional service fee charged to end customers for transportation in and around Kampala, Uganda. The generated daily revenue will be split three ways, 50% to Matatu Enterprises, 35% to the driver (\$7/day of this percentage will be paid to the conductor), and 15% to an escrow account for the driver. The 50% of the daily revenue put towards Matatu Enterprises will cover licensing fees, maintenance, branding modifications, insurance, and operating costs. The savings from the escrow account will be put towards the gradual purchase of the physical matatu after roughly four years; thus giving them full ownership of the vehicle. Upon receiving ownership, the driver may elect to remain a part of the Matatu Enterprises brand as a franchised driver, or may remove the branding and become their own separate entity. In order to improve brand presence, another aspect of Matatu Enterprises will be franchising the brand to other peer-recommended matatu owner/drivers and providing the same training given to drivers in the program to these drivers as an incentive for the drivers to become a part of the Matatu Enterprises brand.

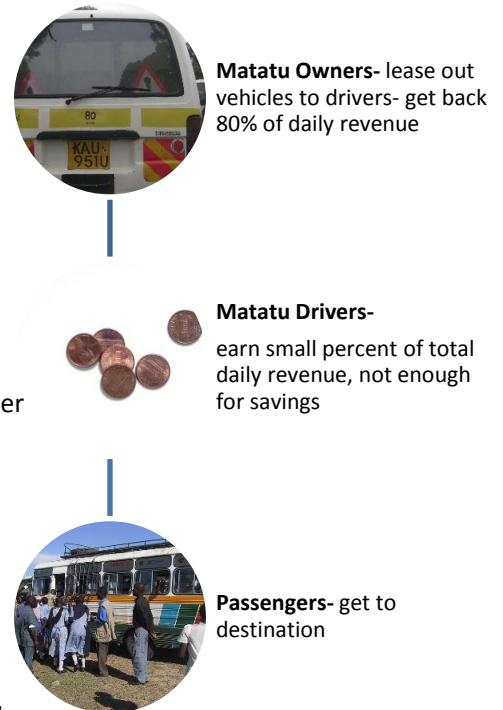
Because most third world countries, especially African countries, utilize varied forms of matatu’s taxis called a variety of different names, Matatu Enterprises is a scalable business idea. With minimal adjustments, the business model may be adapted to a variety of cultures and accelerate economic development in numerous geographic regions. Matatu Enterprises will, thus, look to reinvest profits to expand to other geographic locations in the developing world (beginning in East Africa) within five years of launching.

²⁷ <http://lead555.typepad.com/>

Matatu Enterprise Solution



Current Matatu Model



4 The Market

Entering a market in a developing country can be difficult. This section seeks to address those concerns and how Matatu Enterprises seeks to overcome the challenges. From the industry overview to targeting of customers there are a lot of factors that need to be considered. Once addressing these problems, Matatu Enterprises seeks to continually innovate and identify new opportunities for growth.

4.1 Industry Overview

Matatu Enterprises is involved with the Ugandan public transportation industry, specifically in the capital, Kampala. “The public transport system consists of four tiers—buses, Matatus, motorcycle-taxis (‘Boda-Boda’) and car-taxis (‘special hire’). Matatus, buses and motorcycles, which form the bulk of the public transport supply side, account for nearly half (46%) of the traffic on Uganda’s roads—Kampala drives the national picture; for example, 80% of Ugandan matatus operate in the capital...Twelve thousand Matatus are registered officially, but the actual number is sure to be considerably higher; 20,000–25,000 appears to be a robust estimate...Matatus are second-hand cabin transporters, usually of a Toyota make, manufactured in the 1990s with an official capacity of 12 passengers”.²⁸ A report by the Ugandan Revenue authority shows a steady increase in the number of registered min-buses.

Newly registered vehicles, 2008-2010

Class of Vehicle	2008	2009	2010
Trucks	5,644	5,494	5,918
Pick up Vans	3,486	2,597	4,334
Buses	262	240	147
Mini Buses	10,943	14,578	16,822
Cars	11,975	8,445	7,694
Motor Cycles	70,527	69,998	70,104
Agric Tractors	378	534	769
Others	372	489	436

Source: Uganda Revenue Authority

²⁸ Kamuhanda, R., & Schmidt, O. (2009). Matatu: A Case Study of the Core Segment of the Public Transport Market of Kampala, Uganda. *Transport Reviews*, 29(1), 129-142.
doi:10.1080/01441640802207553

In addition, there has also been a steady increase in members from the 60,000 drivers already part of the Uganda Taxi Owners and Drivers Association (UTODA).²⁹ This association is the regulatory body overseeing the matatu industry and maintains control over the taxi parks located in Kampala. These taxi parks serve as transportation hubs with each “run” in and out of town starting and ending here. Drivers start a run outside the city while stopping along the way at stops known as “stages” to pick up passengers. The main type of vehicle used as a matatu is the Toyota Hiace Commuter and this vehicle is usually rented out to drivers to operate. Each driver operates as his own “brand” and will sometimes decorate his vehicle in elaborate ways to stand out. Drivers pay membership fees to UTODA and other drivers associations to gain permission to operate out of the taxi parks or on specific stages. The licensing is rather simple and relies on an application and meeting the necessary requirements. Ivan and Omar already possess membership, thus making the process of entering into UTODA much more efficient.

4.2 Market Segmentation

Matatu Enterprises focuses on the matatu segment of the transportation industry and improves the current system. There are 1.6 million³⁰ individuals in Kampala and their needs for public transportation are dictated by their immediate needs in traveling from A to B and the amount of luggage they carry with them. Each of the modes of transportation has a different level of risk and cost associated with them. Matatus are one of the cheapest and safer forms of transportation, which makes them a very desirable form of transportation (relative to other forms). Each vehicle type has different licensing fees and rules for operation including passenger limits. Boda-Bodas carry up to three lightly burdened passengers, while matatus are known to carry upwards of 17 passengers. Vehicles like matatus operate in many of the major cities in East Africa as a popular form of public transportation for both locals and visitors, providing options for growth in the region.

4.3 Target Market

The target market for Matatu Enterprises is individuals located in Kampala, Uganda who are looking to operate or currently operate a matatu as a source of daily income and improve their lives. To identify potential individuals Matatu Enterprises will rely on recommendations from other Matatu Enterprise drivers or satisfied passengers, which is similar to what Tugende Driven does.³¹ Matatu Enterprises will accept individuals who have never had access to the money necessary to own a matatu but have aspirations for a better life and show promise as entrepreneurs. The drivers will operate in such a way as to appeal to Matatu Enterprises’ end user – passengers more concerned with safety and service than just hasty transportation. The selection process for new drivers will be based on the application, interviews, and recommendations. The application will try to determine motivation, personality, and ability by following up on peer/customer recommendations and performing verbal-based tests.

²⁹ Kamuhanda, R., & Schmidt, O. (2009). Matatu: A Case Study of the Core Segment of the Public Transport Market of Kampala, Uganda. *Transport Reviews*, 29(1), 129-142.
doi:10.1080/01441640802207553

³⁰ <http://en.wikipedia.org/wiki/Kampala>

³¹ <http://tugendedriven.com/about#howitworks>

Applicants who demonstrate aptitude, character, and ambition to improve their lives will be accepted. If an individual is not currently a driver, Matatu Enterprise will assist them in attaining the necessary permits and passing the driving test. After being accepted, new drivers will be instructed on safe driving and how to perform to the level of quality required of a Matatu Enterprises driver. Matatu Enterprises could also answer needs of a secondary market, travelers. The first hurdle for most new arrivals to a country is the public transportation system. The U.S. State Department says of Uganda, "Most inter-city transportation in Uganda is by small van or large bus. Many drivers of these vehicles have little training, and some are reckless. Small vans and large buses are often poorly maintained, travel at high speeds, and are the principal vehicles involved in the many deadly single and multi-vehicle accidents along Ugandan roads. Accident victims have included U.S. citizens traveling in small vans and personal cars, passengers on motorcycle taxis locally known as "boda-bodas", and pedestrians."³² Due to these risks, providing a service for visitors that is safe, friendly, and reputable will also appeal to ex-pats, travelers, and improve tourist experience.

4.4 Potential Product Openings

Running a similar savings service for boda-boda, taxi, and bus operators is a potential product openings directly related to the transportation. This would also open up an opportunity for operating as a micro-lending agency that specifically targets transportation industry workers. Other opportunities include using Matatu Enterprises' matatus as chartered vehicles for tourist groups visiting Uganda, though much of this market is covered by the vehicles owned by travel agencies. The most obvious and realistic potential product offering is expansion into other cities in Uganda and to other countries in Eastern Africa that utilize matatus. There are also opportunities to provide similar work-to-own services for other products such as agricultural equipment. In order to minimize repair costs, Matatu Enterprises may elect to open and operate a repair shop for matatus, though repair shops already exist in and around the city.

4.5 Barriers to Entry

Operating a matatu service in a unique way for the first time and convincing individuals to trust Matatu Enterprises with their earnings is one of the paramount barriers to entry that must be overcome by Matatu Enterprises. Next is the expenses for the first matatus and purchasing licenses to operate on highly traveled routes. Matatu Enterprises would also need to hire a trustworthy individual or mission organization as a manager(s) to act as the liaison between the drivers association and the business. As aforementioned, Matatu Enterprises already has connections with a ministry that has expressed interest in starting a Matatu Enterprises site. Lastly, the most blaring barrier to entry is the difficulties and risks of running an NGO in a foreign country, but the country already hosts many non-profits and treats them favorably, so government interference would be unlikely. Tugende Driven has experienced proven success as a social enterprise within Uganda. Matatu Enterprises will seek advice and counsel from Tugende Driven to avoid all unnecessary pitfalls.

³² http://www.travel.state.gov/travel/cis_pa_tw/cis/cis_1051.html#crime

5 The Competition

This section explores the current market and how Matatu Enterprises differentiates itself from the rest of the competition. In the Ugandan matatu industry, each driver is his own “brand”, which makes the market very fragmented. Without a clear market leader, there is an opportunity for a large, consistent brand. Matatu Enterprises plans to differentiate itself by recruiting excellent candidates through a rigorous selection process and providing these drivers with an opportunity for economic advancement and a steady job.

5.1 Concentrated Control of the Market

Within the current system, the Uganda Taxi Owners and Driver Association (UTODA) is “the single largest player in Uganda’s public transport docket controlling over 60% of all the business and about 7,000 commuter taxis.”³³ While UTODA does not actually own the taxis, it does regulate the taxi market by selling stages, running taxi parks and selling licenses. Matatu drivers pay an annual fee to be a part of UTODA and gain access to these taxi parks (Matatu Enterprises will join the association to gain access to taxi parks and avoid upsetting the established organization). However, there is no majority share market controller. Besides other forms of public transportation (private-hire taxis, boda-bodas, and buses), Individual matatu owners *are* the competition. Individual matatu owners brand their vehicles with colors and stickers on vehicles, which serve as the only form of marketing besides hiring a boisterous and controlling conductor to manage customer relations. While a small minority group of matatu drivers are actually driver/owners, the majority of matatu owners view matatus as a side source of income. One individual will own only a handful of vehicles which they rent out as a lucrative source of supplementary income, but because matatu ownership is already a lucrative investment in the current system, these owners are uninterested in putting in the effort to create and manage an actual matatu brand.

5.2 Competitive Advantage

With a focus on customer service and safety communicated through consistent branding and diligent quality control, Matatu Enterprises has a competitive advantage over independently owned and operated taxis. This will attract passengers who desire safety over hastiness. In an industry with many operators, Matatu Enterprises plans to stand out visually with a consistent branding through a custom Matatu Enterprises sticker design for every vehicle in the Matatu Enterprises fleet. In regards to hiring drivers, Matatu Enterprises has a competitive advantage over other vehicle owners because it offers higher pay and an escrow account that expedites the process of gaining ownership of their own vehicle. To further separate itself from other employers, Matatu Enterprises provides quarterly training sessions where they will teach safe driving techniques, entrepreneurship, customer service, personal finances, and maintenance skills. Ownership of a matatu is out of reach for many individuals, but by offering a service that is simpler, more profitable, and within reach of the poor, Matatu Enterprises stands as an elegant solution to the ails of the current transportation industry in Uganda.

³³ http://www.sbreview.net/index.php?option=com_content&view=article&id=285:ugandas-transport-system-&catid=68:politics-a-business&Itemid=393

5.3 Lost Revenue Strategy for the Vehicle

There are two major areas of potential lost revenue. The first is weather. In Uganda, especially during the rainy season, traffic and travel can be halted by heavy rains without much warning. The second revenue loss is broken down or inactive vehicles. While Mutatu Enterprises requires daily maintenance checks by their drivers and educates their drivers in safe driving and proper care, accidents and equipment malfunctions do occur. If there is an accident, insurance coverage will likely cover the damages. In the case of a broken down vehicle needing repairs that may take multiple days, Matatu Enterprises will either temporarily rent another vehicle, or provide temporary jobs at the mission base (such as grounds maintenance) until the vehicle is up and running again. One solution that could serve as a secondary source of income and help cut maintenance costs would be to open and operate a repair shop for vehicles. In general, however, accidents tend to be minor and most cases are more cosmetic damages and not severe enough to stop operation.

Toyota Hiace



The majority of matatus in Uganda are fourth generation Toyota Hiace. The Hiace is a 14 passenger van with a 5-speed manual transmission on a part-time 4 wheel drive chassis. When well maintained, Hiaces are known to last between 400,000 and 700,000 Km and last 8-12 years. They are only available internationally but are known to be tough, long-lasting and dependable and get between 25-35 MPG. Matatu Enterprises will purchase a new or lightly used Toyota Hiace for each driver in the Matatu Enterprises program.³⁴

³⁴ http://en.wikipedia.org/wiki/Toyota_HiAce

6 Marketing plan

6.1 Marketing Strategy

There are a lot of issues that need to be solved when entering a foreign market, especially in a developing country. Using Ivan and Omar helps mitigate trust issues and their prior knowledge and understanding of the market is valuable.

- Ivan and Omar explain benefits of partnering with Matatu Enterprises for them personally in added benefits this is going to be word-of-mouth (WOM)
- Ivan and Omar can overcome trust barriers that would initially hinder marketing campaigns from a new NGO
- Sticker of Matatu Enterprises logo will be attached on the side and back of the matatu vehicle to differentiate it visually
- The combination of the sticker and the WOM will create buzz with initial customers, the drivers.
- The sticker will visually distinguish it for the secondary market, the passengers.
- Drivers with approval will also be able to run their own small promotional campaigns, another chance to add value for customers.
- As buzz is created, more drivers will see the benefits of joining Matatu Enterprises and it can be expanded into other routes
- Prices are set by UTODA, thus customer service and safety are two specific ways to differentiate from other matatu drivers
- These benefits will be promoted and discussed with travel guides since there is generally tourist confusion with public transportation when entering a new country



6.2 Marketing Timeline

- Initially one vehicle by Ivan and Omar, will aim for two vehicles in the first year.
- It will take a while to gain credibility and have the sticker recognized.
- Scaling will depend on demand from potential drivers.
- Increase in fleet will depend on capabilities and demand.
- Financials account for four vehicles, but as conservative estimates, there's a good chance this will be faster.
- Depending on growth, reach out to travel guides about Matatu Enterprises as solution for travelers to Uganda.

6.3 Positioning

Recently, the Ugandan Works Minister Abraham Byandalala said of the Ugandan transportation industry, "The country loses sh800b per year in accidents. There is the emotional loss; cost of treatment in hospitals, cost of investigation of the accidents, there is damage to vehicles and property. If accidents are minimized, money can be saved for hospitals and schools. Logistics and transport play a key role in Uganda's economy and should be given attention by all stakeholders. The goal of the ministry is to promote, adequate, safe and well maintained works and transport and services so as to effectively contribute to the socio-economic development of Uganda,"³⁵ Matatu Enterprises can help answer this need. Being the first brand built on customer service builds reputation and an opportunity to establish as the premier service provider. The reason that there are no brands is there is no added profit, but our reason for branding is to make safety and customer service in public transportation desirable and attainable by passengers. With this demand, this can incrementally help to improve the Ugandan transportation industry as other drivers are forced to react to our positioning within the market.

6.4 Distribution plan

Within the matatu industry, distribution is fairly simple. A person buys a vehicle and then rents it out to a driver who drives it on specified roads where they have membership to the stage organization. Matatu Enterprises plans to systematically expand the distribution plan as organizational growth occurs. New participants in the program will be sent on different routes to avoid competing with other Matatu Enterprises drivers and to grow brand awareness in new areas throughout the city. Utilizing connections and networks made through the missionary managers, Matatu Enterprises will, simultaneously, market itself as a safe and inexpensive charter option for larger groups such as short-term mission trips. This may open up even more channels of distribution and a more consistent income for the drivers.

³⁵ <http://allafrica.com/stories/201303111689.html>

7 Established Company

7.1 Legal Status

Seven months prior to the official launch date in Uganda, Matatu Enterprises will form as a 501(c)(3) in the state of Pennsylvania.

7.2 Founders

The founding team consists of Alex Moore (CEO), Tristan Ruml (CMO), and Joshua Sauer (CFO). See exhibit E, F, and G for founders resumes.

7.3 Management Team Profile



Alex Moore developed a passion for sustainable social entrepreneurship after being inspired by Toms Shoes. As an entrepreneurship major at Grove City College, he has studied social entrepreneurship and even experienced it first hand through an internship with Tinga Tinga Capital in Uganda during the summer of 2012. This internship served as the inspiration for Matatu Enterprises. After spending the summer commuting to meetings using matatus and establishing a personal relationship with a driver/conductor pair, he saw the need for changing the current situation that cripples the drivers economic growth. Matatu enterprises seeks to redeem this situation and Alex is excited to be a part of a viable solution.



Tristan Ruml has a deep passion for poverty alleviation in the developing world and creative business ventures that offer a blended value. As an international business major with first-hand experience working with business in the developing world including grant writing for a self-sustaining chicken farm in Burma (Myanmar), a seminary program in India and working as an instructor at an NGO in Chiang Mai, Thailand, he is a natural choice to be a founder. His role on Matatu Enterprises is to develop a marketing strategy and tactics, provide advice and feedback on methods to create a brand in an industry without brands, and to apply his knowledge of the developing world and poverty solutions in order to maximize Matatu Enterprises effectiveness.



Joshua Sauer is a sophomore finance major currently attending Grove City College. He is a passionate business and finance student. He firmly believes that social enterprise is the only efficient and effective way to raise the standard of living in impoverished areas around the world. Joshua's knowledge of accounting and financial markets will assist the team as they acquire and manage seed capital.

7.5 Board of Directors



Dr. Tim Mech currently serves as a Professor at Grove City College where he teaches Finance courses and Social Entrepreneurship. His dedication to poverty alleviation has led him to forming Evangelical Fellowship International (EFI), a non-profit that operates in 7 countries in South Asia. His many years of experience in social ventures (including serving as chairman of the board for Deep Springs International) both in the US and abroad as well as vast business knowledge and experience will make him a great asset on Matatu Enterprises' board.



Evan Addams is the director of accounts of the Pittsburgh start-up company NoWait. He has extensive experience in sales and entrepreneurship, is the US Business Development Director for Tinga Tinga Capital – a 501(c)(3) that does work in Uganda, and a Grove City College graduate. Evan has a heart for the Ugandan people and an even greater heart for entrepreneurship and value creation. He provides the entrepreneurial expertise necessary for a successful entrepreneurial endeavor in the third world, and a growing network of philanthropic investors.



Rachel Henderson grew up in an entrepreneurial household and also worked for startups for three of her first four jobs. She has traveled throughout Panama, Chile, South Korea, and Thailand. During her travels, she worked with and observed the different ways that different cultures work to improve their family's standard of life. These experiences combine to give her a well-rounded skill set to assist a start-up in working with poverty-level populations in a non-western setting. Professionally, she previously worked as an Account Coordinator with Zoll LifeVest, the worlds only manufacturer and supplier of a wearable defibrillator. Her role included sales assistance, customer support, and a whole lot of problem solving. She just recently moved to the Pittsburgh Social Exchange and will be working in sales and assisting with PR and event planning. Rachel also enjoys attending events held by BuiltInPgh and RustBuilt--both entrepreneurial networking groups--as well as Pittsburgh Startup Weekend.

7.6 Founders Agreement

See Exhibit H.

8 Operations Plan

Daily Operations Overview

The vehicles will be stored at the missionary manager's compound, which will reduce the risk of break-ins and theft and will be located in close proximity to the starting stage for the route driven by our matatu drivers. Each day the manager will hand out keys, the drivers will inspect their vehicle and address any maintenance issues. Drivers will then begin their work day and then return the key and vehicle to the manager at the end of the day.

Weekly Operations Overview

Missionary managers perform a bi-weekly ride-along with the Matatu driver for quality control and a thorough weekly inspection of the vehicle.

Quarterly Operations Overview

Drivers attend training seminar administered by the missionary managers. At these day-long sessions food is provided and drivers will be compensated for their time.

Insurance Quote

See exhibit I for an insurance quote

8.1 Contract for Management

As stated before, for a number of reasons, managers will be persons already in Uganda working with a mission organization. Exhibit J contains the management contract.

8.2 Contract for Drivers

As a point of differentiation from other matatu driver owners/employers, drivers for Matatu Enterprises will be required to sign a contract with Matatu Enterprises. The main part of the contract will be a contractual obligation to both work and maintain the vehicle through daily maintenance checklists and by applying mechanical knowledge taught in the training sessions provided by Matatu Enterprises. A preliminary version of this contract may be found in Exhibit K.

9 Capitalization

Matatu Enterprises seeks an initial investment of \$40,000. The founders will raise this capital through a tiered funding approach. Their time frame for raising total start-up capitalization is approximately 5 months.

9.1 1st Tier

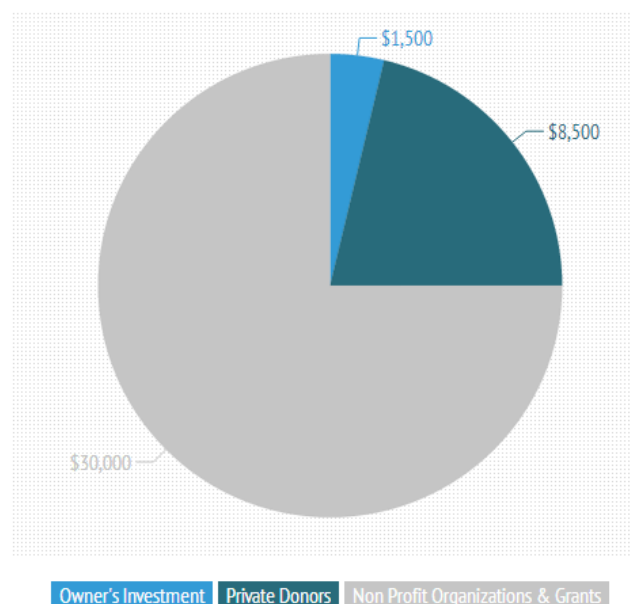
The first tier of funding will consist of the founder's personal investment as well as donations from friends, family, individuals, and churches. By applying to multiple business plan competitions, writing support letters, and presenting the plan at local churches, the founders expect to raise approximately \$10,000 in 2 months from the first tier of funding.

In addition, any paid-in-kind services will be accounted for in the first tier of funding. Such services may include legal counsel, financial advising, and general advising, and may be acquired through competing in business plan competitions.

9.2 2nd Tier

In the second tier of funding Matatu Enterprises will target organizational donors. These include investment groups, philanthropic individuals, economic development organizations, and governmental grants. Specific organizations to target include: The Unreasonable Institute, The Global Philanthropy Group, The Omidyar Group, The Skoll Foundation, The Aga Khan Fund, The United Nations Development Programme, and The Howard G. Buffett Foundation. The founders expect through donations and matching gifts, they can raise approximately \$30,000, in 3 months from the second tier of funding.

Start-Up Capitalization



Start-Up Capitalization

Matatu Enterprises Beginning Year 1

	Amounts	% of Total
Owner's Investment		
Alex Moore	\$500	1.3%
Tristain Ruml	\$500	1.3%
Joshua Sauer	\$500	1.3%
Private Donors		
Unsecured Donation	\$8,500	21.3%
Non Profit Organizations & Grants		
Unsecured Donation	\$30,000	75.0%
TOTAL CAPITALIZATION	\$40,000	100.0%

9.4 Planned Exit Strategy

Under the current revenue model, in 8-10 years Matatu Enterprises will accumulate approximately \$80,000 or more in current assets. The missionary team that Matatu Enterprises has worked with will know how to operate and independently run their location. At this time, Matatu Enterprises will target a new site to implement the business model. Matatu Enterprises will take the necessary cash out of its current assets to meet the monetary costs of the new location. With an adaptable business model, Matatu Enterprises plans on expanding into new regions.



10 Pro Forma Financial Statements and Revenue Assumptions

10.1 Bus Revenue

Based upon the founders past experiences, as well as secondary sources, the current market rate of a bus ride to and from Ggaba is approximately 1000(Ugx) or **.39(Usd)**. A bus driver will take on average **14 one way trips** from Ggaba to Kampala. A bus driver will typically wait until the bus is full (**14 passengers**) before departing. It is not uncommon for a matatu driver to “squeeze” up to 20 passengers on bus. While these numbers may be greater or smaller, an average of 14 trips per day, carrying 14 passengers per trip is a realistic expectation. Under these assumptions, daily gross bus revenues would be about **\$76.44**.

Gross Revenue

$$\begin{array}{r} \$ \quad 0.39 \text{ Market rate} \\ \times \quad 14 \text{ One way trips} \\ \times \quad 14 \text{ Passengers} \\ \hline \hline \$ \quad 76.44 \text{ Daily Gross Bus Revenue} \end{array}$$

Fuel costs

Ggaba is located about **9 Km** from the bus hub in Kampala. A new or used Toyota Hiace gets approximately **12L/100Km**, or 18 mpg. This would require about 15 liters of diesel. The buses will spend some time in traffic and sometime idling while picking up customers. **2 Liters** of diesel will conservatively cover this time as buses are typically turned off while waiting for passengers. The World Bank officially lists the price of diesel at \$1.11 a liter for Uganda. Matatu Enterprises has chosen to assume a \$1.25 per liter in the event that the price in Uganda is higher than stated. This also serves as a hedge against an increase in cost of fuel and provides a small “cushion” in revenue assumptions. At a cost of \$1.25 per Liter, a bus’s daily fuel cost should be about **\$21.40**.

Fuel Costs

$$\begin{array}{r} \quad 9 \text{ Km trip distance} \\ \times \quad 14 \text{ One way trips} \\ / \quad 8.3 \text{ Km per Liter} \\ \hline \quad 15 \text{ Liters needed for Direct Travel} \\ + \quad 2 \text{ Liters for stand by and traffic} \\ \hline \quad 17 \text{ Liters needed total} \\ \times \$ \quad 1.25 \text{ Current Diesel price per Liter} \\ \hline \hline \$ \quad 21.40 \text{ Daily Fuel Cost per Bus} \end{array}$$

Daily Bus Revenue

Matatu Enterprises is not responsible for the fuel cost of the buses. Fuel costs will be automatically deducted from the gross revenue by the driver as needed. As a result Matatu Enterprises anticipates daily revenue per bus of approximately **\$55.04** a day. For ease of calculation, a daily revenue of **\$55.00** per bus has been assumed for the remainder of the model.

Net Revenue

\$	76.44	Daily Gross Revenue
- \$	21.40	Daily Fuel Cost
<hr/>		
\$	55.04	Daily Net Revenue per Bus

10.2 Revenue Distribution

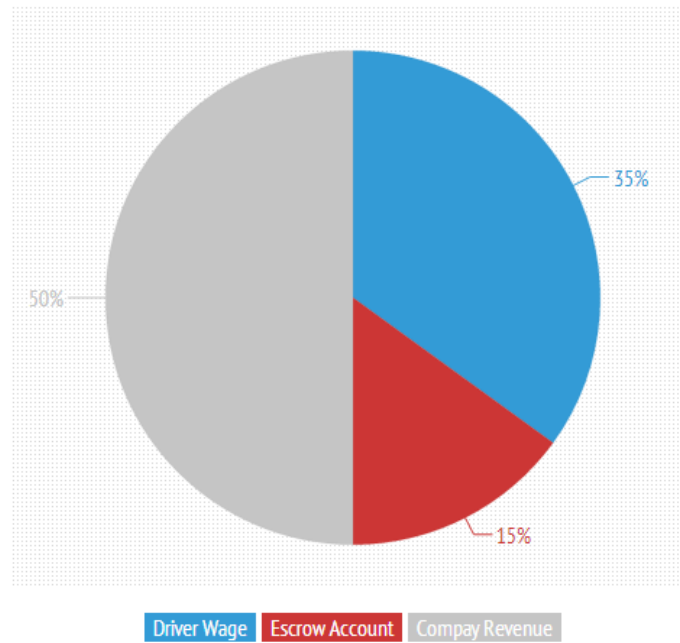
At the end of every work day the driver will provide Mutatu Enterprises with their daily net revenue (**\$55**). From that total the driver will receive **35%** for his daily wages. Out of his wage he will pay his conductor. If the driver pays his conductor a daily wage of 7 dollars, he stands to make a daily wage of \$12.25. **15%** will be put towards the drivers escrow account, and **50%** will be taken by Matatu Enterprises.

Revenue Distribution

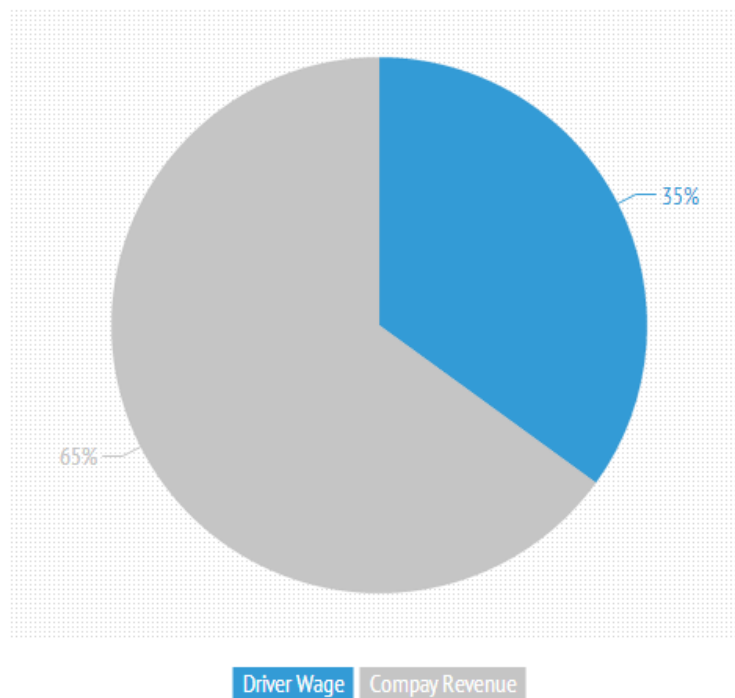
	Relative	Real
Driver Wage	35%	35%
Driver Escrow Account	15%	65%
Compay Revenue	50%	
Totals	100%	100%

The driver does not have access to the escrow account until his savings are equal to the value of the bus. At that time, Matatu Enterprises would receive the amount in the drivers escrow account. Instead of creating a physical escrow account to store a driver's money, Matatu Enterprises will put this money directly into working capital as it is received. Matatu Enterprises continues to keep track of a driver's contribution just as if it were going into a separate account. From these records one can easily update drivers on how much equity they have built and determine when they will be the owners of the bus. This allows Matatu Enterprises to have a smaller, steady stream of capital, rather than one large lump sum at a future date. Putting the driver's escrow account directly into working capital equates to Matatu Enterprises taking 65% of daily net revenue.

Relative Revenue Distribution



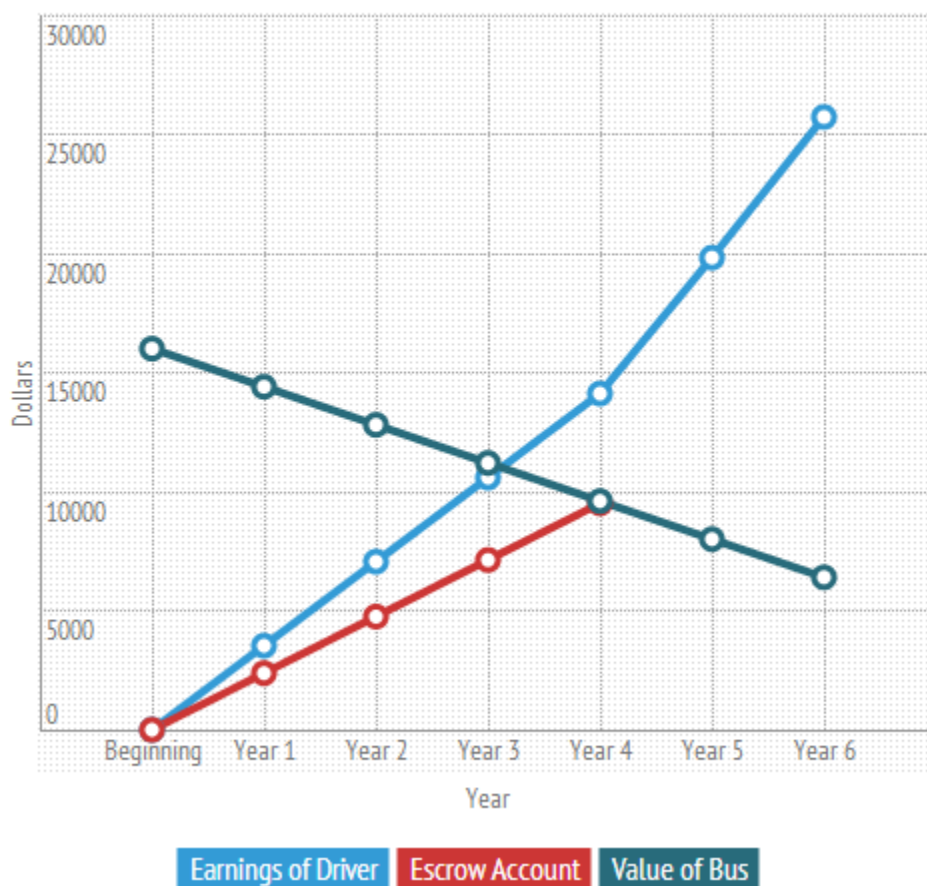
Real Revenue Distribution



10.3 Driver Equity and Ownership

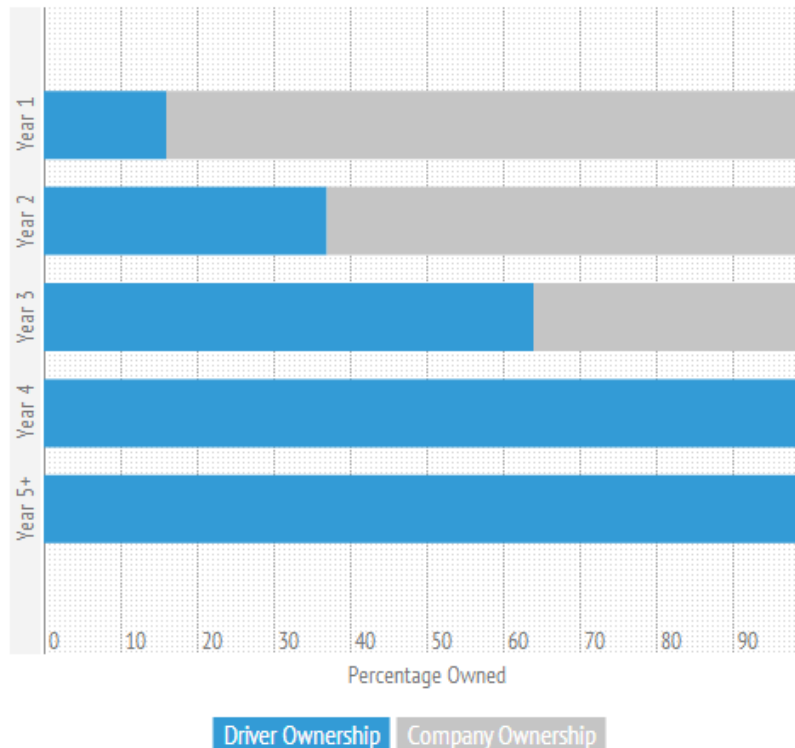
15% of daily revenues go to an escrow account. Assuming a bus is purchased for around \$16,000 and it has a useful life of 10 years, it will depreciate at \$1,600 per year. Matatu Enterprises will track the value of each bus and the value of each drivers escrow account. When the drivers account is larger than the value of the bus, the driver has purchased the bus from Matatu Enterprises and will receive the title to the vehicle. The driver is no longer required to provide their daily earnings to Matatu Enterprises.

Driver Equity



Using a 55 dollar a day revenue model, it will take a driver approximately 4 years and 2 months to attain ownership of their matatu. If drivers have extra money they wish to put towards their bus equity, they may give it to us and it will count as credit towards their escrow account for the amount.

Driver Ownership



Bad weather and major vehicle accidents have the potential to delay their ownership. Matatu Enterprises understands that one of these factors, or an unforeseen variable may postpone their purchase of the matatu, therefore efforts will be made on a case by case basis to make the maximum time to ownership of 5 years.

In a “worst case scenario” Matatu Enterprises would have the option of reducing its daily company revenue percentage and increase the percentage of the drivers escrow account, allowing the driver to purchase the vehicle sooner.

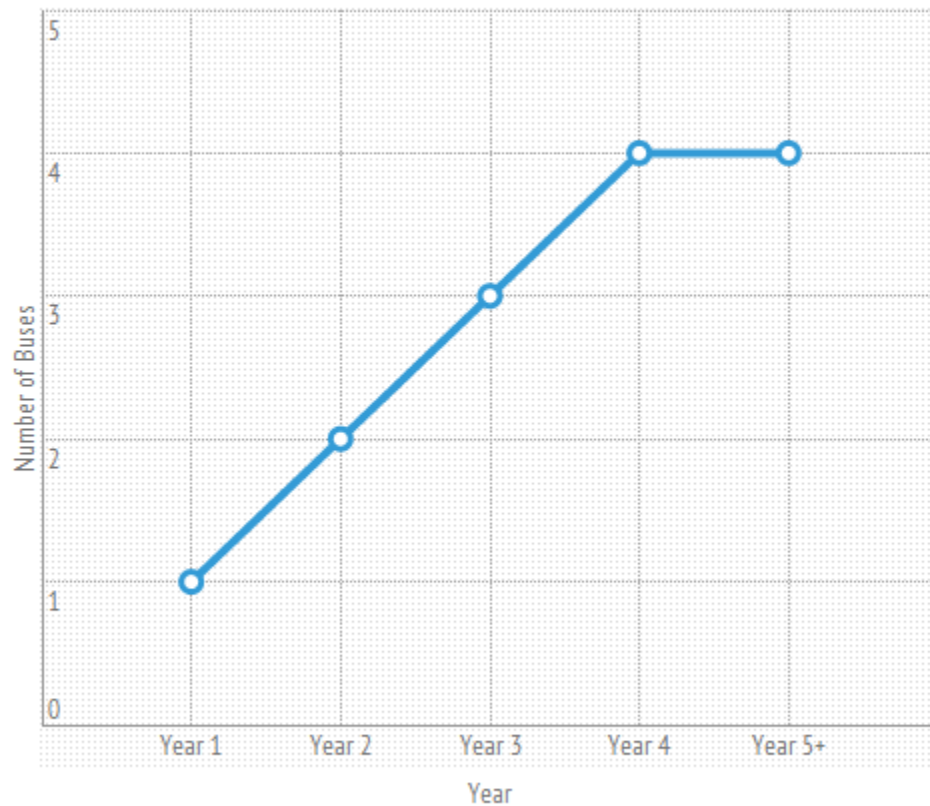
10.4 Bus Purchases

Based upon online listings, Matatu Enterprises will be able to purchase a new or gently used Toyota Hiace (Matatu) for under \$16,000. Money not spent on a vehicle out of the budgeted amount will be spent on maintaining and upgrading the bus at the discretion of the managers.

Matatu Enterprises plans on purchasing one bus per year and up to 4 buses. This would give any missionaries being introduced ample time to adjust to the program. It will also allow Matatu Enterprises to perceive unforeseen problems in the first year of the program as their will only be one bus in service.

After the first matatu leaves the program in the 5th year Matatu Enterprises will immediately purchase another bus to fill the void.

Buses Owned



Number of Buses

Matatu Enterprises does not anticipate all of these buses servicing the route to Ggaba. Matatu Enterprises believes the traffic coming to and from Ggaba is sufficient enough to enable two trained drivers to meet revenue assumptions of 55 dollars per day. Any more than two additional buses, and the fear is that there might be an “over supply” in the transportation market to and from Ggaba. This assumption is speculative, and the market may be able to support all buses. Matatu Enterprises would prefer not to take this chance and is very confident that, with drivers’ training and quality of service, the market will be able support the addition of two buses.

The route of the third and fourth buses has not been determined yet. Matatu Enterprises will be able to better gauge where demand for services lie once it is operational in Uganda. New route options include routes to the cities of Jinja and Mukomo, Uganda. Whichever future locations Matatu Enterprises route to, it will need to be sure to meet revenue assumptions of a 55 dollar a day daily profit before proceeding.

10.5 Pro Forma Financial Statements

Pro Forma Statement of Activities

Matatu Enterprises Year 1 to Year 5

	1 Bus	2 Buses	3 Buses	4 Buses	4 Buses
	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE					
Gross sales	\$15,840	\$31,680	\$47,520	\$63,360	\$63,360
Less sales returns and allowances	0	0	0	0	0
Net Sales	\$15,840	\$31,680	\$47,520	\$63,360	\$63,360
COST OF SALES					
Beginning inventory	\$0	\$0	\$0	\$0	\$0
Plus goods purchased / manufactured	0	0	0	0	0
Total Goods Available	\$0	\$0	\$0	\$0	\$0
Less direct labor	5,544	11,088	16,632	20,160	20,160
Total Cost of Goods Sold	\$5,544	\$11,088	\$16,632	\$20,160	\$20,160
Gross Profit (Loss)	\$10,296	\$20,592	\$30,888	\$43,200	\$43,200
OPERATING EXPENSES					
Total Selling Expenses	\$0	\$0	\$0	\$0	\$0
General/Administrative					
Start up cost	\$2,000	\$0	\$0	\$0	\$0
Taxi License	50	100	150	200	250
Missionary Stipend	5000	5000	5000	5000	5000
Insurance	900	1800	2700	3600	4500
Rent	3000	3000	3000	3000	3000
Depreciation & amortization	1600	3200	4800	6400	6400
Training	500	500	500	500	500
Equipment maintenance	500	1000	1500	2000	2500
Bus modifications	500	500	500	500	500
Total General/Administrative Expenses	\$14,050	\$15,100	\$18,150	\$21,200	\$22,650
Total Operating Expenses	\$14,050	\$15,100	\$18,150	\$21,200	\$22,650
Net Income Before Taxes	(\$3,754)	\$5,492	\$12,738	\$22,000	\$20,550
Taxes on income	0	0	0	0	0
Net Income After Taxes	(\$3,754)	\$5,492	\$12,738	\$22,000	\$20,550
NET INCOME (LOSS)	(\$3,754)	\$5,492	\$12,738	\$22,000	\$20,550

Pro Forma Statement of Financial Positions

Matatu Enterprises Year 1 to Year 5

		1 Bus Year 1	2 Buses Year 2	3 Buses Year 3	4 Buses Year 4	4 Buses Year 5
ASSETS	Beginning Year 1					
Current Assets						
Cash	\$40,000	\$21,846	\$14,538	\$16,076	\$28,476	\$39,426
Net accounts receivable	0	0	0	0	0	0
Inventory	0	0	0	0	0	0
Temporary investment	0	0	0	0	0	0
Prepaid expenses	0	0	0	0	0	0
Total Current Assets	\$40,000	\$21,846	\$14,538	\$16,076	\$28,476	\$39,426
Fixed Assets						
Long-term investments	\$0	\$0	\$0	\$0	\$0	\$0
Land	0	0	0	0	0	0
Vehicle s (net of depreciation)	0	14,400	27,200	38,400	48,000	48,000
Plant & equipment (net)	0	0	0	0	0	0
Furniture & fixtures (net)	0	0	0	0	0	0
Total Net Fixed Assets	0	\$14,400	\$27,200	\$38,400	\$48,000	\$48,000
TOTAL ASSETS	\$40,000	\$36,246	\$41,738	\$54,476	\$76,476	\$87,426
LIABILITIES						
Current Liabilities						
Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities						
Total Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
Net Assets						
Capitalization	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Unrestricted Net assets	\$0	(\$3,754)	\$1,738	\$14,476	\$36,476	\$47,426
Total Net Assets	\$40,000	\$36,246	\$41,738	\$54,476	\$76,476	\$87,426
TOTAL LIABILITIES & NET ASSETS	\$40,000	\$36,246	\$41,738	\$54,476	\$76,476	\$87,426

Pro Forma Statement of Cash Flows

Matatu Enterprises

Year 1 to Year 5

	1 Bus Year 1	2 Buses Year 2	3 Buses Year 3	4 Buses Year 4	4 Buses Year 5
Cash flows from operating activities					
Cash received from customers	\$15,840	\$31,680	\$47,520	\$63,360	\$63,360
Cash received from Unrestricted and Temporarily Restricted Contributors	0	0	0	0	0
Cash paid for drivers wages	(5,544)	(11,088)	(16,632)	(20,160)	(20,160)
Cash paid for operating expenses	(14,050)	(15,100)	(18,150)	(21,200)	(22,650)
Add Depretiation expense	1,600	3,200	4,800	6,400	6,400
Cash paid for taxes	0	0	0	0	0
Net cash provided (used) by operating activities	(\$2,154)	\$8,692	\$17,538	\$28,400	\$26,950
Cash flows from investing activities					
Cash received from sale of capital assets (plant and equipment, etc.)	\$0	\$0	\$0	\$0	\$0
Cash received from disposition of business segments	0	0	0	0	0
Cash received from collection of notes receivable	0	0	0	0	0
Cash paid for purchase of capital assets	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)
Net cash provided (used) by investing activities	(\$16,000)	(\$16,000)	(\$16,000)	(\$16,000)	(\$16,000)
Cash flows from financing activities					
Other	0	0	0	0	0
Net cash provided (used) in financing activities	0	0	0	0	0
Increase (decrease) in cash during the period	(\$18,154)	(\$7,308)	\$1,538	\$12,400	\$10,950
Cash balance at the beginning of the period	40,000	21,846	14,538	16,076	28,476
Cash balance at the end of the period	\$21,846	\$14,538	\$16,076	\$28,476	\$39,426

10.6 Notes to Financial Statements

Note 1. Liabilities

From month to month and year to year the liabilities are zero. Because Matatu Enterprises pays the drivers at the end of each work day, their owed wages are not credited in accounts payable. All other expenses are paid yearly, month to month, or outright at purchase.

Note 2. Operating costs

Operating costs in the 5th year are higher than the 4th year, despite having the same amount of buses in operation. Under the revenue model a bus driver will purchase his own bus in about 4-5 years. Once a bus has been purchased by the driver, Matatu Enterprises will immediately buy another bus to fill its place. A bus may be in operation for a few months during its fourth year. Matatu Enterprises will need to purchase a taxi license, renew an insurance policy, and keep maintenance for the vehicle during this time. Matatu Enterprises will cover these costs for the driver until the end of the year in which he purchased the matatu.

As a result of purchasing two taxi licenses, two insurance policies, and maintaining two vehicles during that year, the operating costs are higher. Matatu Enterprises expects the operating cost in the 5th year to remain constant for future years.

Note 3. Startup Costs

In our first year of operation Matatu Enterprises incurs a one time expense entitled "Startup Costs." This sum covers the expenses of an individual traveling to Uganda to establish working operations.

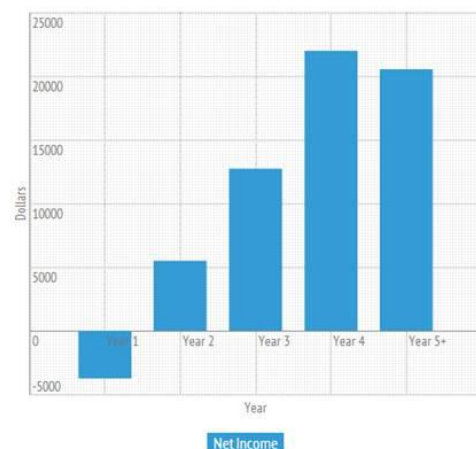
Note 4. COGS

Cost of goods sold is comprised solely of the driver's percentage of daily income. From this amount he deducts his conductor's salary and is left with his daily wage. Gas is not included in this calculation as fuel costs will be automatically deducted from the gross revenue by the driver as needed.

10.7 Financial Highlights

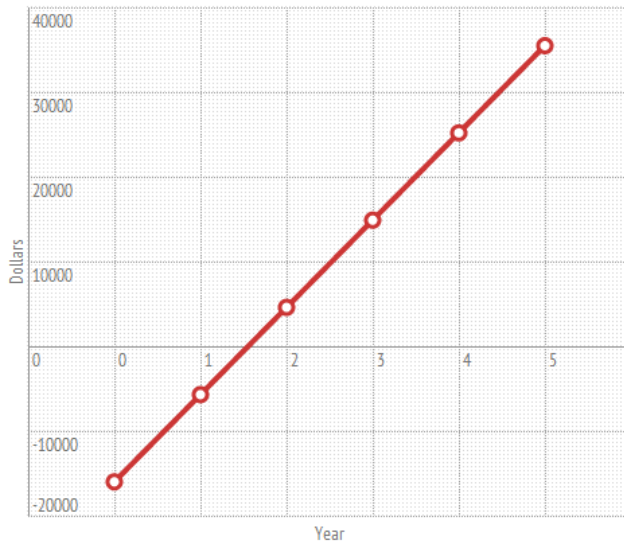
Matatu Enterprises Net Income Grows at a rate of **40.50%**,

Net Income



until year 5 when net income remains constant at approx. \$20,550 per year.

Bus Gross Cash Flow



A single Matatu has a gross internal rate of return of 52.43%.

(That's after our driver and operator have been paid)

Profitability Ratios

	Year 1	Year 2	Year 3	Year 4	Year 5+
Return on equity	-10%	13%	23%	29%	24%
Return on assets	-10%	13%	23%	29%	24%
Return on sales	-24%	17%	27%	35%	32%
Gross Profit Margin	65%	65%	65%	68%	68%
Asset turnover ratio	44%	76%	87%	83%	72%

Appendix

Exhibit A

Uganda Economic and Political Facts

Political Stability:

The [Political Stability](#) Index is based on a given country's record of peaceful transitions of power, ability of a government to stay in office and carry out its policies. Threats include coups, domestic violence and instability, terrorism, etc. This index measures the dynamic between the quality of a country's government and the threats that can compromise and undermine stability. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of political stability, while a score of 10 marks the highest level of political stability, according to this proprietary index.³⁶

Uganda – 6.5

Corruption Perceptions Index:

Transparency International's [Corruption Perceptions Index](#) is a composite index which ranks countries in terms of the degree to which corruption is perceived to exist among public officials. This index indicates the views of national and international business people and analysts about the levels of corruption in each country. The highest (and best) level of transparency is indicated by the number 10 in scoring. The lower (and worse) levels of transparency are indicated by lower numbers.³⁷

New Zealand: Rank 1, Score 9.4

Uganda: Rank 130, Score 2.5

Somalia: Rank 180, Score 1.1

CIA World Fact Book³⁸

“The colonial boundaries created by Britain to delimit Uganda grouped together a wide range of ethnic groups with different political systems and cultures. These differences prevented the establishment of a

³⁶

http://www.countrywatch.com/cw_topic.aspx?type=text&vcountry=178&topic=POSTB&GLOBAL=true

³⁷

http://www.countrywatch.com/cw_topic.aspx?type=text&vcountry=178&topic=INTRX&GLOBAL=true

³⁸ <https://www.cia.gov/library/publications/the-world-factbook/geos/ug.html>

working political community after independence was achieved in 1962. The dictatorial regime of Idi AMIN (1971-79) was responsible for the deaths of some 300,000 opponents; guerrilla war and human rights abuses under Milton OBOTE (1980-85) claimed at least another 100,000 lives. The rule of Yoweri MUSEVENI since 1986 has brought relative stability and economic growth to Uganda. During the 1990s, the government promulgated non-party presidential and legislative elections.”

*US Department of State*³⁹

COUNTRY DESCRIPTION: Uganda is a landlocked republic with a developing economy in central eastern Africa. Tourist facilities abound, but while infrastructure is adequate in Kampala, the capital, it is limited in other areas.

U.S.-UGANDA RELATIONS

The United States established diplomatic relations with Uganda in 1962, following its formal independence from the United Kingdom. Post-independence, the country saw a mix of tribal rivalries, insurgencies, military coups, dictatorships, and elections. U.S. relations with Uganda were strained by the human rights abuses of several Ugandan governments.

After decades of internal strife, Uganda has experienced more than 20 years of relative political stability and economic growth. The country has made progress on a number of fronts, including HIV/AIDS, economic growth, and stabilizing its north, where the Lord's Resistance Army (LRA) operated for 20 years. But it faces challenges including flawed 2011 parliamentary and presidential elections, continued rapid population growth, human rights problems, corruption, and inflation.

Uganda is a key U.S. regional strategic partner through both its involvement in the African Union Mission in Somalia and counter-LRA efforts in central Africa. In 2011, the United States sent a small number of military advisers to the LRA-affected region to enhance the capacity of the Ugandan and other regional militaries to pursue the LRA and protect civilian populations.

Bilateral Economic Relations

Uganda is eligible for preferential trade benefits under the African Growth and Opportunity Act. U.S. exports to Uganda include machinery, optic and medical instruments, wheat, and aircraft. U.S. imports from Uganda include coffee, cocoa, base metals, returns, and fish and seafood. The United States has signed trade and investment framework agreements with the East African Community and with the Common Market for Eastern and Southern Africa. Uganda is a member of both regional organizations.

³⁹ <http://www.state.gov/r/pa/ei/bgn/2963.htm>

Exhibit B

Trinity Tours and Travel, Prince Sabena: A Case Study



One of the persons Alex had the pleasure of meeting this summer is Prince Sabena. He served as the source of inspiration on focusing on branding Matatu Enterprises through training the drivers and conductors in business and customer service. Prince Sabena is a Ugandan citizen who came to Uganda as a refugee from Rwanda. During his years as a student at University, he worked as a host and guide for Watoto Church when the church brought mission teams to Uganda. Watoto Church trained him in customer service, drove home an emphasis on excellence and timeliness, and set him on a path to understanding how to do business well.



After four years of working with Watoto, Prince left his job with Watoto to follow the dream that is so common to many Ugandans – starting a business of his own. Using the experience and expertise he gained from working with Watoto, Prince started Trinity Tours and Travel. The company is now a little over two years old and has successfully survived by providing excellent service and safe driving. The company employs 3-5 persons depending upon the season, and Prince Sabena trains all of these employees in safe driving, customer service and business principles to ensure they do an excellent job and represent the Trinity brand well.

As one can quickly see, a focus on excellent business practice made a huge impact on Prince and set him up to be a successful business owner who creates value and brings monetary gains to Uganda.⁴⁰

⁴⁰ <http://www.trinitytrips.com/>

Exhibit C

Alex met the director of Lead 555 and attended one of their sessions while he was in Uganda. Their missions statement is below, and aligns with the Matatu Enterprises mission. They are professionally trained instructors who would be excellent partners for the training sessions provided by Matatu Enterprises for their drivers.

Let's **change**
how we think
about **Africa**

<i>From...</i>	<i>To...</i>
Export Our Solutions to Africa	Catalyze Ideas Within Africa
Africa is Poor	Africa has all it needs
Africa won't change	Africa is changing
Money buys solutions	New thinking leads to change
Give our money	Give our experience, knowledge
Work toward self-sufficiency	Model self-sufficiency now
Build brick and mortar infrastructure	Build social and entrepreneurial infrastructure
Do it ourselves	Train them (and leave)
Build things	Catalyze movements
Respond to needs	Respond to the cause of the need
Train pastors	Train Christians in all sectors
They can't	They are
Train individuals	Mentor connected people
Learn on campus	Learn in the marketplace.
We fund	They fund
Emphasize formal education	Catalyze training and mentoring relationships
Change is slow	Change can happen faster than you think
Tackle the problem	Tackle the system behind the problem
Empower individuals and groups	Empower networked leaders
Help them start businesses	Supply a market for their products
Start an orphanage	Mobilize and Train African adoptive families
Money solves poverty	New thinking and justice solves poverty
Africa needs more churches	Africa needs better disciplers
Leaders have formal education	Leaders serve others by leading
Working in Africa is futile	The time is ripe in several countries
The issues are too overwhelming	The solutions are at hand
There's not much I can do	<i>God, help me invest my resources in the very best way, to help those countries that are ripe for change!</i>

Leadership555 engage like never before
l e a d 5 5 5 . c o m

Exhibit D

Business Lessons From a Balinese Taxi Driver



Our deepest moments of learning often come in the most unexpected ways. This last week I learned powerful marketing lessons from a taxi driver in Bali that are etched in my memory forever. The best part is that he wasn't "teaching" and he never mentioned anything about "marketing".

Since my young teenage years, I've wanted to surf the hollow, fast Indonesian waves I often admired in surf magazines. I longingly read the articles and stared at the pictures of fortunate souls who seemed to "live the life" in these tropical heavens. Last week I was able to fulfill that teenage dream. But, even more fulfilling than actually surfing the waves, was being there with my amazing wife and children. Paddling into heavy surf with your own sons is both exhilarating and a bit nerve-wracking. I'll expound on that at another time.

After one of our best surf sessions, my two oldest boys and I trekked back up the beach and down a small road lined with shops at the end of an open-air market. The vendors desperately tried to get our attention. Noticing our surfboards and dripping hair, they clamored with offers of Billabong t-shirts, Vans sunglasses, and other "surf" attire. As we reached the end of the market, the approaches changed. They must have realized that we weren't interested in their wares, but were instead seeking a ride back to our hotel. The calls almost immediately shifted to "Taxi?", "You need taxi?". "Yes!", I responded. And they yelled down the way to Dewa.

Dewa met us with a smile at the end of the market, his van clean and ready. As is the custom in Bali, we negotiated a price. He started at 60,000 rupiah (around \$6). I had paid 30,000 that same morning to come the opposite direction. After a bit of haggling, we settled at 30,000. But, something strange happened during that short ride, and I ended up giving him 50,000 rupiah. It wasn't an act of pity or charity. I felt he had truly earned and deserved more than what he was willing to charge.

Dewa became a person I really like in about 60 seconds. By the end of our 8 minute ride, he was a friend. A friend I hope to stay in contact with for the rest of my life.

How did he do it? I wish I knew the exact formula. I wish I could break it down into 5 easy steps. But it's not that easy. I've ridden in hundreds of taxis. Usually I'm tired (as I was after

some good surf) and I just want to be left alone. So, I'm often bothered by taxi drivers' lame attempts at small talk.

In Bali, as in many places, taxi drivers don't make much money. They generally scrape a measly existence from their earning. Dewa is no different. I learned a lot about Dewa and from him in our 8 minute ride.

The first thing he did was relate to me. He noticed I had my sons with me and asked how many I had. I replied that I had 3 sons and the youngest was back at the hotel. He shared that he had two daughters, one 7 years old, one three, and his wife was 6 months pregnant with their third and he hoped it was a boy. He talked briefly about how his wife wasn't working any more and its now tough for him to provide since he alone is the breadwinner. He wasn't begging or having a pity party. He was just stating the facts.

Dewa asked how our trip was going and what other plans we had. I told him we planned on going to the zoo the next day (by the way, the Bali zoo is a university in upselling – check it out if you ever get the chance). Dewa offered to take us, but we had already arranged transport with a package from the hotel.

Dewa gave me a business card at the end of our ride and encouraged me to call him if we needed another ride anywhere else. I had really enjoyed our ride with Dewa, but I didn't think much of it at the time. We had ridden in a few other taxis and I was gathering a small collection of business cards on our hotel desk. Dewa's card ended up on the desk in the pile along with the rest.

Two days later we went surfing at the same spot. As we passed by the market it began to rain, hard. The vendors immediately realized our plight and called to us, "Taxi?". "Yes!", was again our reply.

I was pleasantly surprised to see Dewa waiting with a smile and his van door open. We hopped in, immediately defiling his pristine van with rain water, salt water, sand, and mud. I felt bad. But Dewa instantly made us feel at home by saying "Hi Tyler, how was the surf?". How did he remember my name? It had been two days and surely he had driven many other customers to and fro having similar conversations. He also realized that my second son was not with us. He wondered where he was. And, to top it off, he asked how we had enjoyed the zoo the day before. Dewa had remembered everything about us. He had truly cared. I think that was the key to his ability to form a bond and have a great conversation with us during the first ride. He cared. He was genuine in his concern for us. He wasn't just driving us to make a buck. He loved doing it.

Again during our trip back to the hotel, he reminded me that we could call him if we needed anything. We had been planning a trip to the other side of the island and I told him that I'd give him a call the next day to schedule with him. I still had his card in the pile on the hotel desk.

The next day we went as a family to the open-air market where we met Dewa. My wife wanted to do some shopping and my boys wanted a souvenir. Dewa wasn't there. I was genuinely sad to not see him. He was driving another customer on a day trip. But I called him later that day to schedule our trip for the next day. 450,000 rupiah for the day was the price we agreed to (about \$45).

I could write another 20 pages about the amazing day trip we had with Dewa and what eventually led to me paying him 1,300,000 rupiah instead of 450,000, but here's a short list of how it went:

He was not a taxi driver. He was a full-service tour guide. He taught us about the culture, the temples we passed, the strange sights and smells. He answered our every inquiry about Hinduism, their daily offerings, family culture (in which boys are more important than girls), and more.

He served as protector. He watched over the surf boards tied on top of the van to ensure they were safe while we shopped and sight-saw. He protected us from the mischievous monkeys at the Pura Uluwatu temple that were masters at stealing everything from sunglasses to food to flip-flops from tourists. We saw one monkey steal a flip-flop right off of a tourist's foot. As she freaked out to her friends, another monkey stole the other flip-flop off her other foot. Dewa kept us safe and taught us about the sacred part of the temple where they only enter wearing full white ceremonial clothing.

He shared much more about his family, the village where he's from, why he came to the city, about his wife and his children. He was real. He told us that his wife is very pretty, but right now "about 50/50" since she is pregnant. We laughed and told him that she must be more pretty since she's pregnant. He shared pictures of his girls and his wife. Beautiful family.

He told us how he used to work for hotels doing cleaning work and odd jobs. But, even though he makes less money driving, he'd rather do it because he doesn't like a boss telling him what to do. Of course I connected with that right away. Dewa is an entrepreneur. He said "8 hours feels like a year" when you're working for someone else. I couldn't agree more.

I was shocked to learn that he owned his van. I had noticed that other drivers were renting cars or were driving cars owned by someone else. He shared that he had saved the equivalent of \$5,000 for a downpayment and it then took him 5 years to pay off the rest. He had just paid it off last year. I could see the relief in his eyes as he talked about paying off his van and the pride in ownership and accomplishing that task. His van is immaculate. He's kept extremely good care of his 6 year old van.

When we went to dinner I begged him to come with us. He declined as he maintained his duty to watch over the surfboards still strapped to the top of the van.

When he dropped us off, I gave him a hug, just like I would any one of my close friends. Dewa will always be a close friend to me. I could scientifically try and break down how that relationship formed so quickly and so deeply, but it's a futile effort since it seems there was almost something magical about it.

But, I can tell you a few things about how Dewa has converted himself from a poor farmer's son into a relatively successful and extremely happy taxi driver:

- **Affiliate Business** – Dewa has a relationship with the vendors in the open air market. He brings them eager shoppers with fat wallets. They bring him tired shoppers (and surfers) ready for a ride home.
- **Self Promotion** – Dewa doesn't hesitate to hand you his card and ask you to call him. He knows he's got to ask for the business.
- **Unexpected Service** – Dewa drives a taxi, but he doesn't consider himself a taxi driver. His business card says "Tour Service", and that's what you get. Five star service at a one star rate. It doesn't cost him any more to be friendly and nice, just a bit of effort.
- **Genuine Care** – Dewa cares deeply about his customers. It shows the minute you get into his van. The van is kept clean to make the customers feel comfortable. As soon as he talks with

you, it is evident that he cares more about you than the fare he is charging (even though he desperately needs that fare to feed his family).

- **Referrals and Repeat Business** - As we parted last night, Dewa asked me to recommend him to any friends that might travel to Bali and he made sure I still had his card so that I could call him again if we return. Again, Dewa asks for the business and I know he gets it. (Dewa's information is below – I'm recommending him to you now.)

These are simple reminders of basic business principles often forgotten. His business model reflects perfectly [Infusionsoft's Perfect Customer Lifecycle](#). If you're a small business owner and not yet an Infusionsoft customer, you should [check out a demo today](#) or contact me for more info. The software is not only transformational in what it can do for your business, but in what it teaches you about your business.

Dewa, thank you for helping us have a great vacation and for reminding me of these powerful business principles.

If you're ever in Bali, connect with Dewa. He's the best. His info is below:

Dewa – [connect on Facebook](#)

+6285 238 753 545

Exhibit E

Alexander Walton Moore

273 Bells Lane Staunton, Va 24401 • (540) 292-5298 • alexander.w.moore1990@gmail.com
Portfolio: alexander-w-moore.tumblr.com

SUMMARY Creative problem solver with extensive leadership, networking, and service industry experience, with a passion for photography, creative marketing, and social entrepreneurship.

EDUCATION GROVE CITY COLLEGE **Grove City, Pa**
Bachelor of Arts in Business, May 2013 **GPA: 3.65, Cum Laude**
Major: Entrepreneurship

UNIVERSITY OF OTAGO, Semester Abroad (Spring 2011) **Dunedin, New Zealand**

HONORS NCAA Varsity Soccer (Letter Recipient), Delta Mu Delta National Honor Society, Dean's List with Distinction

EXPERIENCE

2012-Present Tinga Tinga Capital, Business and Development Intern **Uganda and Pittsburgh, Pa**

NGO that supports economic development in Uganda by providing investment capital.

- Launched the Tinga Tinga Facebook page and managed social media campaign.
- Designed visual content for online marketing using photography and design expertise.
- Managed website analytics for better Search Engine Optimization (SEO).
- Acted as liaison in Uganda: Responsible for telling the Tinga Tinga story in a compelling way to potential participants.
- Independently assisted current participants and searched for new investment opportunities via networking in Uganda.
- On-Campus Representative responsible for working with teams on in-class projects involving Tinga Tinga Capital

2012-Present Grove City College: Office of International Education, Student Assistant **Grove City, Pa**

On campus office responsible for encouraging and enabling students to study abroad during undergraduate years.

- Articulated personal experience through presentations and one-on-one meetings to successfully market studying abroad.
- Arranged student meetings, advised students through application process, and managed the creation of passport photos.

2010-Present Crimson and White Society, Student Representative **Grove City, Pa**

Faculty led student group that hand selects students to represent the student body at alumni and public events.

- Engaged in networking and public relations to market and promote continued involvement in alumni relations.
- Forged lasting and powerful relationships with Grove City alumni and Grove City Alumni Relations staff.

2008-Present Freelance Photographer and Web-Designer **Grove City, Pa**

Freelance work including senior portraits, engagements, weddings, local businesses, and GCC Marketing.

- Motivated by a passion for creativity and excellence: Shot, edited, and distributed photos suited to individual customer needs.
- Utilized Wordpress, Tumblr, Microsoft Office, Adobe Photoshop, Drop-Box and Aperture.
- Gained proficiency and expertise through class projects in Digital Story Telling, Video Production, SEO, Digital Photography, Elements of Design, and Internet Content Marketing.

2012 Highmark® Innovations Project **Grove City, Pa**

- Successfully worked on a masters level business concept development project.
- Assumed responsibility for reporting to an executive within Highmark as an interim team leader.

2012-2013 Stonebridge Concerts, President **Grove City, Pa**

Student-led organization responsible for bringing live concerts to Grove City Campus.

- Negotiated artist contracts, delegated tasks, and hosted two concerts.

2011-2012 Grove City College, Freshman Resident Assistant **Grove City, Pa**

- Mentored twenty young men for social, spiritual, and educational development.
 - Organized events and planned hall activities for community growth while working under Resident Director.
 - Maintained and grew relationships with students and Resident life staff even outside of formal employment by Resident Life.
-

PERSONAL Extensive networks in Uganda and New Zealand. Traveled to China, Australia, Haiti.

Exhibit F

Tristan Ruml

Address: 100 Fairfax Court, Granville, OH 43023 Telephone: (740) 405-0151 E-mail: tristan.ruml@gmail.com

Education: Grove City College – Grove City, PA (includes semester in France) May 2013
B.S. in International Business with concentration in Marketing and Chinese
GPA: 3.27/4.0

Employment and Internship Experience

Resident Assistant, Grove City College, Grove City, PA August 2012- Present

- Serve hall residents in a variety of ways from personal issues to organizing creative programs in an effort to foster hall community, camaraderie, and development
- Established reputation as a responsible student leader, resulting in selection after competitive process
- Ensure that College rules and standards are followed and maintained

Instructor, Legacy Leadership Center, Chiang Mai, Thailand May- August 2012

- Taught Leadership, Public Speaking, and English to disenfranchised young adults from northern Thailand and refugees from Myanmar to enhance their future job opportunities
- Counseled and aided students suffering either personally or in their family with the repercussions of issues including physical and sexual abuse, abandonment, PTSD, and alcoholism
- Addressed marketing concerns with director of NGO and independently helped develop strategy and website design to be implemented to increase donations

Marketing Intern, Chick-fil-A, Reynoldsburg, OH June- July 2011

- Grew franchise's social media presence and maintained website and customer data
- Organized and planned creative marketing campaigns including events and promotional material
- Demonstrated drive, initiative, and confidence in acquiring position by walking into restaurant and asking manager for opportunity to aid their struggling marketing efforts

Sales Intern, AArrow Advertising, Westerville, OH June- July 2011

- Developed appreciation for managing a young, small advertising franchise
- Displayed charisma, independence, and professionalism cold calling, targeting decision makers, and presenting face-to-face, primarily to owners of luxury apartment complexes
- Researched and created marketing data base for targeting potential customers

International Experience

- Traveled in 22 Countries across North America, Europe, South Pacific and Asia
- Studied 4 months in Nantes, France in partnership with ONIRIS Science and Engineering
- Backpacked alone through Europe for 3 weeks from Nantes, France to Prague, Czech Republic
- Currently working as volunteer producing media for international NGO involved in South Asia
- Fluent in French; basic Mandarin Chinese proficiency; basic Burmese speaking proficiency

Campus Involvement

- Sigma Phi Omicron Fraternity
- iLead – Student Leadership Development
- Homecoming Committee: Alumni
- Business Management Association
- Chinese Culture Club
- Roundtable- Men's Service Honorary
- EFI Partnership
- Intramural Sports

Exhibit G

JOSHUA SAUER

285 Gramercy Pl. • Glen Rock, New Jersey 07452
CELL: 551.206.2714 • EMAIL: sauerjal@gcc.edu • WEBSITE: Joshsauer.com

EDUCATION:

Grove City College • Grove City, Pennsylvania
Projected B.S. in Finance • May 2015
Current GPA: 3.5/4.0 Dean's List

In 2011, U.S. News & World Report's "America's Best Colleges" ranked Grove City College 'No. 1 Best Value' and 'Top Ten' among comprehensive colleges. (www.gcc.edu)

Glen Rock High School • Glen Rock, New Jersey
Overall QPA: 3.7/4.0

EXPERIENCE:

Champlain Advisors- Greenwich, CT

May 2012-August 2012

Private Equity Placement Firm- Summer Analyst

- *Evaluated organizational 990 and 10K forms in order to determine long term clientele potential*
- *Organized road show materials for limited partner meetings*
- *Located and assessed hundreds of potential clients, utilizing LinkedIn and Prequin*
- *Assisted firm partners through networking opportunities*
- *Represented firm during quarterly hedge fund conference call*
- *Gained a working knowledge of the Private Equity and Venture Capital Industry*

Drinkdarling.com- Glen Rock, NJ

May 2012- August 2012

Summer Intern

- *Created and stratified a database of over 100,000 wines, beer and liquors*
- *Utilized graphic design background to assist in the construction of user friendly applications*
- *Designed and developed database infrastructure*

AWARDS:

Grand Champion New Jersey Stock Market Challenge

2010

- *Placed 1st out of 2000 students in a competitive environment.*
- *Realized gains of 60% over a three month time period.*

Eagle Scout

2011

- *In conjunction with a leadership team, planned over 25 different events*
- *Displayed flexibility and maturity while working with different age groups*
- *Organized a major service project in conjunction with the local Board of Education*

ATHLETICS:

GCC Varsity Tennis Team

- *Grove City College scholar athlete*

2011-Present

Glen Rock High School Varsity Tennis Team

- *Four-year letterman and state semi-finalist*
- *Team Captain*

2007-2011

2011

SERVICE:

Round Table Academic Society

2012

- *Sophomore men's service organization available to the top 10% of students*

Adopt a Grandparent Program

2012

Missions Trip Leader- Paterson, NJ

2009

Software Proficiencies

Prequin Alternative Asset Database, Elementary Python and C++, Word press, Adobe Creative Suite

Exhibit H

MATATU ENTERPRISES FOUNDERS' AGREEMENT

This Founders' Agreement (this "Agreement") is entered into (Month) (Day), (Year), by and among Matatu Enterprises, a Pennsylvania 501(c)3 organization, (the "Corporation"); Alex Moore and Tristan Ruml, and Joshua Sauer (each individually a "Founder" and collectively the "Founders").

RECITALS

WHEREAS, The Corporation is engaged in the highly competitive business of researching, developing, manufacturing, marketing, and selling ophthalmic laser systems and performing ophthalmic surgical procedures. The Founders and the Corporation recognize and affirm that success or failure in this highly technical and highly competitive business is dependent on the ability of the Corporation to (i) develop and protect proprietary technology which will give the Corporation a competitive advantage in the marketplace; (ii) incorporate this technology into products which themselves will or may become proprietary; and (iii) develop and utilize processes which may be proprietary to accomplish (i) and (ii) above.

WHEREAS, in order to achieve the above objectives, the Corporation has expended, and will continue to expend, substantial time, effort, and financial resources. These activities include research, the attraction and training of key employees, and establishing relationships with necessary resources outside of the Corporation. If information regarding the Corporation's research, processes, or products were to fall into the hands of a competitor of the Corporation, it could be used in a manner which would cause serious and irreparable financial and business damage to the Corporation. For this reason, all information related to the Corporation's technology, research, products, and business strategies is considered to be confidential information which is proprietary to the Corporation.

WHEREAS, the Corporation and the Founders are so willing.

AGREEMENT

NOW, THEREFORE, in consideration of the above representations and understandings, and the promises and mutual agreements set forth below, the parties agree, effective on the date of this Agreement, to the following terms and conditions:

1. Services. Each Founder agrees to serve the Corporation as reasonably directed by its Board of Directors or its designee, consistent with the scope of expertise and other employment obligations of such Founder. Such services may include participation in the Corporation as a Director, Officer, consultant, contractor and/or, with the agreement of the Founder, an employee. In all such cases, the terms and conditions of this Agreement will continue to be binding.

2. Founders' Commitment to Business Time to the Corporation. Each Founder agrees to commit eighty-five percent (50%) of his available consulting time to the Corporation except for other current obligations agreed to by the Corporation to be both non-competitive and not demanding in time as disclosed in Exhibit A hereto. However, the Corporation may not require services of any Founder for more than the time allowed by the Founders' employer, provided that he will not engage in any other

employment or business endeavor (other than those disclosed in Exhibit A hereto) which is reasonably considered in conflict or competition with the Corporation and that he will have breached this Agreement should he engage in such activities despite the Corporation's objection as set forth below. Any Founder may (subject to the preceding sentence and Section 5 hereof) enter into other employment or consulting arrangements in addition to, or in place of, his employment with the respective universities during the term of this Agreement, provided that such Founder shall disclose any such arrangements to the Corporation. Within thirty (30) days of receiving such disclosure, the Corporation shall advise such Founder of any reasonable objections to such arrangement. If such Founder pursues such arrangement notwithstanding the Corporation's reasonable objection within such thirty (30) day period, such Founder shall be treated for all purposes hereunder as though such Founder has breached this Agreement.

3. Agreement Not to Compete. During the time that any Founder is serving the Corporation, and for twenty-four (24) months thereafter, such Founder agrees that he will not affiliate in any material role, including affiliation as an employee, consultant, agent, or contractor, with any business enterprise which competes with the Corporation, nor will he found, promote, or become a shareholder, partner, or owner in any other enterprise which competes with the Corporation. It is understood that (i) the preceding sentence shall not prohibit any Founder from participating in research projects in connection with his employment at the respective universities, and (ii) a Founder may work for a business entity which competes with the Corporation, provided that such Founder is not personally engaged, directly or indirectly, in any or business activity within such entity which competes with the Corporation.

4. Termination. Each Founder's arrangement to provide services to the Corporation may be terminated by the Corporation for any reason, with or without cause, upon the unanimous agreement of the Corporation's Board of Directors.

Founders may voluntarily terminate services with the Corporation at any time and for any reason (a "Voluntary Termination"). However, the Founders agree to provide thirty (30) days advance notice prior to the effective date of termination.

5. Noninterference With Employees. Each Founder agrees that for a period of twenty-four (24) months following the termination of such Founder's participation in this Agreement, such Founder will not interfere with or attempt to impair the relationship between the Corporation and any of its employees, consultants, and advisors, nor will such Founder attempt, directly or indirectly, to solicit, to entice, to hire, or otherwise to induce any employee, consultant, or advisor of the Corporation to terminate association with the Corporation.

6. Remedies in the Event of Breach. The Corporation and the Founders understand and agree that any breach or threatened breach by the Corporation or the Founders of any of the above provisions cannot be remedied solely by the recovery of damages, and in the event of any such breach or threatened breach, the Corporation or the Founders, as the case may be, shall be entitled to injunctive relief, restraining the Founders or the Corporation, as the case may be, and any business, firm, corporation, individual, or other entity participating in such breach or attempted breach from engaging in any activity which would constitute a breach. The Corporation and the Founders further agree that any dispute arising under the terms of this Agreement, other than a dispute that would be remedied by injunctive relief, shall be decided in accordance with the then current rules of the American Arbitration Association, and any arbitration award may be entered in a court of competent jurisdiction and enforced as a judgment thereof. Nothing herein, however, shall be construed as prohibiting the Corporation or the Founders from pursuing, in

conjunction with an injunction or otherwise, any other remedies available in equity for any such breach or threatened breach, including the recovery of damages.

7. Waiver. Any waiver of a breach of any of the terms of this Founders' Agreement shall not operate as a waiver of any other breach of such terms or conditions or any other terms or conditions, nor shall any failure to enforce any provision of this Founders' Agreement operate as a waiver of the provision or any other provision.

8. Successors and Assigns. The rights, benefits and obligations of the Corporation under this Agreement and all covenants and agreements hereunder shall inure to the benefit of and be enforceable by or against its successors and assigns. This Agreement shall be binding upon Founder's successors and assigns. Neither this Agreement nor any rights or obligations hereunder shall be assigned by Founder. The rights of the Purchasers hereunder shall inure to the benefit of the Purchaser's assigns.

9. Entire Agreement. This Agreement constitutes the entire agreement among the parties. This Agreement may not be amended or modified, except in a writing signed by all parties hereto.

10. Severability. If any provision of this Founders' Agreement or the application thereof is held invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any other provisions or applications of this Agreement which can be given affect without the invalid or unenforceable provision or application. To that end, the provisions of this Agreement are to be severable.

11. No Employment Contract Created. Nothing in this Agreement shall be construed as granting to either Founder status as an employee of the Corporation or any right with respect to continuance of employment by the Corporation or any of its subsidiaries. The right of the Corporation or any of its subsidiaries to terminate at will either Founder's consulting or employment relationship with the Corporation at any time (whether by dismissal, discharge or otherwise), with or without cause, is specifically reserved.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be signed and each Founder has executed this Agreement as of the date shown below.

MATATU ENTERPRISES

Founders
Alex Moore, Tristan Ruml, Josh Sauer

Alex Moore

Tristan Ruml

Josh Sauer

Exhibit I

Dear Mr. Joshua A. Sauer,

Below is the quotation for your vehicle and the benefits that come along with our insurance package:

Sum Insured	UGShs 41,440,000
Rate	5.5% (Inclusive of Political Violence and Terrorism cover)

Premium Calculation:

UGShs \times 5.5% = UGShs 2,279,200

Add Insurance Training Levy (0.5%) = UGShs 2,279,200 \times 0.5% = UGShs 11,396

Add Sticker fee = UGShs 6,000

Add Stamp duty = UGShs 5,000

Total Annual Premium = UGShs 2,301,596 (893.82 USD)

What risks are covered?

Accidental loss/damage, theft, fire, malicious damage, riots, strikes and civil commotion (which are not politically motivated), and motor third-party liabilities.

Third party limits will be as noted below:

Bodily Injury - Shs. 10m/=

Aggregate - Shs. 50m/=

Property Damage - Shs. 20m/=

Major exclusions

- Theft by your own employees
- Consequential Losses e.g. loss of use
- Depreciation, wear and tear, mechanical and electrical breakdown
- Damage to tyres unless the vehicle is damaged as well.
- War and related perils
- Any driver driving under the influence of Alcohol or drugs

Benefits:

1. **Political Violence and Terrorism Cover** at no extra cost for vehicles valued up to 50,000,000UGX.
2. **FREE Riveting and Marking** for clients who pay upfront, for vehicles valued **at** 15,000,000UGX and more.
 - The work will include marking all side mirrors, side glasses, lights, and even radio compartment (if allowed by insured), and riveting of wheel caps, sun visors, lights, spoilers, etc as well as putting locks on side mirrors.
 - This benefit will be available to all new clients and existing clients at the time of renewal. To avail of this benefit, the premium is required to be paid in full to APA Insurance upfront.
3. **Waiver of Police Report** for theft of parts and in case of minor accidents not involving third parties, however the Insured should report the accident or theft to the Police station and obtain a police reference number for our records.
4. **Towing** of accidentally damaged Vehicles shall be done through our service providers, subject to insured's policy limits, the payment will be made by APA directly to the panel of towing companies.
5. **Choice of a Panel of Ten (10) Garages** to choose from, however the client can use the garage of his own choice.
6. **Claim Payments** made directly to the garages upon the customers confirmation of satisfactory repairs.
7. **Reimbursement** within Two (2) working days on completion of repairs in case the repair is done at a garage not in the panel.
8. **Medical Expenses** (arising out of an accident of the insured vehicle) for the driver, up to 500,000UGX ,
9. We allow premium payment in three equal installments.

On appointment of APA Insurance (U) Ltd as your insurer, we will ensure that you receive the best services possible, as **the Customer** is the focus of our attention.

Our procedures are clear with nothing hidden and we pride ourselves on a fast claim turnaround. We have Claims support in Kenya and Tanzania through our group company offices.

Our premiums are economical, affordable and suit all client pockets.

Finally, we can tailor a package to suit your requirements.

Regards,

Linda Nakigozi

Manager Motor,

APA Insurance Uganda Ltd

Crown House | 1st floor, Crown House | Kampala, Uganda

P.O. Box 7651 | Kampala | Uganda

Tel: +256 414 240087, +256 414 251103 | Fax: +255 414 251120 | Mob: +256 772 750606 | Email:

linda.nakigozi@apainsurance.org | Website: www.apainsurance.org.

Exhibit J

Management Employment Contract

This agreement is made and takes effect on **MM/DD/YYYY** between Matatu Enterprises, a Pennsylvania 501(c)(3) company, hereafter called "Company" and _____, hereafter called "Employee".

Witnesseth:

1. The Company hereby employs Employee for a term commencing on the date of this agreement and Employee hereby accepts such employment.

2. During the Employee's employment he/she will:

A. Devote such time and effort as may be reasonably required by the Company to perform his/her duties including a weekly checklist of vehicles and ensuring maintenance standards, collecting vehicles each day to protect investment, and also a weekly ride-along with a driver into town in order to ensure service standards

B. Not engage in any other employment or business activity without the Company's written consent.

C. Perform such duties as may reasonably be requires of him/her by the Company.

3. For services rendered by the Employee, the Company shall pay him/her as follows:

A. The annual sum of **\$5000**, calculated as follows

B Stipend of \$3000 a year for rent

4. Employee agrees that during his/her term of employment by the Company and for a period of one year after termination of such employment, he/she will not act as an employee, agent, broker, shareholder, or otherwise engage in any business selling products similar to those customarily sold by the Company within the State of **Pennsylvania**.

5. Employee understands that he/she will acquire confidential information of business value to the Company during the course of his/her employment. Employee hereby agrees not to divulge such confidential information to any other party, or to use such information for his/her own profit except in performance of employment activities beneficial to the Company.

6. This agreement is an employment-at-will agreement. The Company may, at any time, with or without cause, discharge the Employee by giving him/her written notice of such discharge.

7. Employee's employment shall terminate upon his/her death; inability or failure to perform the duties required by his/her employment; or his/her written notice of resignation given to the Company.

8. Following termination of employment, all obligations under this agreement shall end except for the provisions of items 4 and 5, and any causes of action which may arise from the circumstances of the termination.

9. This agreement constitutes the entire agreement between Company and Employee.

10. This agreement shall be interpreted and, if necessary, adjudicated in accordance with the laws of **Pennsylvania**

11. Until written notice of other address(es) are exchanged between the parties, all notices legally required shall be deemed delivered by the sending of registered mail to the following addresses:

Company address

Employee address

In witness to their agreement to these terms, Company's representative and Employee affix their signatures below:

Company Representative Signature

Employee Signature

Exhibit K

Driver Employment Contract

This agreement is made and takes effect on **MM/DD/YYYY** between Matatu Enterprises, a Pennsylvania 501(c)(3) company, hereafter called "Company" and _____, hereafter called "Employee".

Witnesseth:

1. The Company hereby employs Employee for a term commencing on the date of this agreement and Employee hereby accepts such employment.

2. During the Employee's employment he/she will:

A. Devote such time and effort as may be reasonably required by the Company to perform his/her duties including operating matatu vehicle safely and according to Ugandan laws and regulations while adhering to Matatu Enterprise standards and rules.

B. Not engage in any other employment or business activity without the Company's written consent.

C. Perform such duties as may reasonably be requires of him/her by the Company.

3. For services rendered by the Employee, the Company shall pay him/her as follows:

A. Wages will be 35% of daily income with 15% to escrow account towards vehicle purchase. Once vehicle is fully owned by driver this increases to 100% of daily income.

4. Employee agrees that during his/her term of employment by the Company and for a period of one year after termination of such employment, he/she will not act as an employee, agent, broker, shareholder, or otherwise engage in any business selling products similar to those customarily sold by the Company within the State of **Pennsylvania**.

5. Employee understands that he/she will acquire confidential information of business value to the Company during the course of his/her employment. Employee hereby agrees not to divulge such confidential information to any other party, or to use such information for his/her own profit except in performance of employment activities beneficial to the Company.

6. This agreement is an employment-at-will agreement. The Company may, at any time, with or without cause, discharge the Employee by giving him/her written notice of such discharge.

7. Employee's employment shall terminate upon his/her death; inability or failure to perform the duties required by his/her employment; or his/her written notice of resignation given to the Company.

8. Following termination of employment, all obligations under this agreement shall end except for the provisions of items 4 and 5, and any causes of action which may arise from the circumstances of the termination.

9. This agreement constitutes the entire agreement between Company and Employee.

10. This agreement shall be interpreted and, if necessary, adjudicated in accordance with the laws of **Pennsylvania**

11. Until written notice of other address(es) are exchanged between the parties, all notices legally required shall be deemed delivered by the sending of registered mail to the following addresses:

Company address

Employee address

In witness to their agreement to these terms, Company's representative and Employee affix their signatures below:

Company Representative Signature

Employee Signature

Exhibit L: Financial Exhibits

Pro Forma Statement of Activities

Matatu Enterprises Year 1

REVENUE	January	February	March	April	May	June	July	August	September	October	November	December
Gross sales	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320
Less sales returns and allowances	0	0	0	0	0	0	0	0	0	0	0	0
Net Sales	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320
COST OF SALES												
Beginning inventory	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus goods purchased / manufactured	0	0	0	0	0	0	0	0	0	0	0	0
Total Goods Available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less direct labor	462	462	462	462	462	462	462	462	462	462	462	462
Total Cost of Goods Sold	\$462	\$462	\$462	\$462	\$462	\$462	\$462	\$462	\$462	\$462	\$462	\$462
Gross Profit (Loss)	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858
OPERATING EXPENSES												
Total Selling Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General/Administrative												
Start up cost	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxi License	50	0	0	0	0	0	0	0	0	0	0	0
Missionary Stipend	417	417	417	417	417	417	417	417	417	417	417	417
Insurance	900	0	0	0	0	0	0	0	0	0	0	0
Rent	250	250	250	250	250	250	250	250	250	250	250	250
Depreciation & amortization	133	133	133	133	133	133	133	133	133	133	133	133
Training	125	0	0	125	0	0	125	0	0	125	0	0
Equipment maintenance	500	0	0	0	0	0	0	0	0	0	0	0
Bus modifications	500	0	0	0	0	0	0	0	0	0	0	0
Total General/Administrative Expenses	\$4,875	\$800	\$800	\$925	\$800	\$800	\$925	\$800	\$800	\$925	\$800	\$800
Total Operating Expenses	\$4,875	\$800	\$800	\$925	\$800	\$800	\$925	\$800	\$800	\$925	\$800	\$800
Net Income Before Taxes	(\$4,017)	\$58	\$58	(\$67)	\$58	\$58	(\$67)	\$58	\$58	(\$67)	\$58	\$58
Taxes on income	0	0	0	0	0	0	0	0	0	0	0	0
Net Income After Taxes	(\$4,017)	\$58	\$58	(\$67)	\$58	\$58	(\$67)	\$58	\$58	(\$67)	\$58	\$58
NET INCOME (LOSS)	(\$4,017)	\$58	\$58	(\$67)	\$58	\$58	(\$67)	\$58	\$58	(\$67)	\$58	\$58

Pro Forma Statement of Financial Positions

Matatu Enterprises

Year 1

ASSETS	Beginning Year 1	January	February	March	April	May	June	July	August	September	October	November	December
Current Assets													
Cash	\$40,000	\$20,116	\$20,308	\$20,499	\$20,565	\$20,757	\$20,948	\$21,014	\$21,206	\$21,397	\$21,463	\$21,655	\$21,846
Net accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0
Temporary investment	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	\$40,000	\$20,116	\$20,308	\$20,499	\$20,565	\$20,757	\$20,948	\$21,014	\$21,206	\$21,397	\$21,463	\$21,655	\$21,846
Fixed Assets													
Long-term investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicle s (net of depreciation)	0	15,867	15,733	15,600	15,467	15,333	15,200	15,067	14,933	14,800	14,667	14,533	14,400
Plant & equipment (net)	0	0	0	0	0	0	0	0	0	0	0	0	0
Furniture & fixtures (net)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Net Fixed Assets	\$0	\$15,867	\$15,733	\$15,600	\$15,467	\$15,333	\$15,200	\$15,067	\$14,933	\$14,800	\$14,667	\$14,533	\$14,400
TOTAL ASSETS	\$40,000	\$35,983	\$36,041	\$36,099	\$36,032	\$36,090	\$36,148	\$36,081	\$36,139	\$36,197	\$36,130	\$36,188	\$36,246
LIABILITIES													
Current Liabilities													
Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities													
Total Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Assets													
Capitalization	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Unrestricted Net assets	\$0	(\$4,017)	(\$3,959)	(\$3,901)	(\$3,968)	(\$3,910)	(\$3,852)	(\$3,919)	(\$3,861)	(\$3,803)	(\$3,870)	(\$3,812)	(\$3,754)
Total Net Assets	\$40,000	\$35,983	\$36,041	\$36,099	\$36,032	\$36,090	\$36,148	\$36,081	\$36,139	\$36,197	\$36,130	\$36,188	\$36,246
TOTAL LIABILITIES & NET ASSETS	\$40,000	\$35,983	\$36,041	\$36,099	\$36,032	\$36,090	\$36,148	\$36,081	\$36,139	\$36,197	\$36,130	\$36,188	\$36,246

Pro Forma Statement of Cash Flows

Matatu Enterprises Year 1

Cash flows from operating activities	January	February	March	April	May	June	July	August	September	October	November	December
Cash received from customers	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320	\$1,320
Cash received from Unrestricted and Temporarily Restricted Contributors	0	0	0	0	0	0	0	0	0	0	0	0
Cash paid for drivers wages	(462)	(462)	(462)	(462)	(462)	(462)	(462)	(462)	(462)	(462)	(462)	(462)
Cash paid for operating expenses	(4,875)	(800)	(800)	(925)	(800)	(800)	(925)	(800)	(800)	(925)	(800)	(800)
Add Depretiation expense	133	133	133	133	133	133	133	133	133	133	133	133
Cash paid for taxes	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided (used) by operating activities	(\$3,884)	\$191	\$191	\$66	\$191	\$191	\$66	\$191	\$191	\$66	\$191	\$191
Cash flows from investing activities												
Cash received from sale of capital assets (plant and equipment, etc.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash received from disposition of business segments	0	0	0	0	0	0	0	0	0	0	0	0
Cash received from collection of notes receivable	0	0	0	0	0	0	0	0	0	0	0	0
Cash paid for purchase of capital assets	(16,000)	0	0	0	0	0	0	0	0	0	0	0
Net cash provided (used) by investing activities	(\$16,000)	0	0	0	0	0	0	0	0	0	0	0
Cash flows from financing activities												
Other	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided (used) in financing activities	0	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in cash during the period	(\$19,884)	\$191	\$191	\$66	\$191	\$191	\$66	\$191	\$191	\$66	\$191	\$191
Cash balance at the beginning of the period	40,000	20,116	20,308	20,499	20,565	20,757	20,948	21,014	21,206	21,397	21,463	21,655
Cash balance at the end of the period	\$20,116	\$20,308	\$20,499	\$20,565	\$20,757	\$20,948	\$21,014	\$21,206	\$21,397	\$21,463	\$21,655	\$21,846

Pro Forma Statement of Activities

Matatu Enterprises

Year 2

REVENUE	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Gross sales	\$7,920	\$7,920	\$7,920	\$7,920
Less sales returns and allowances	0	0	0	0
Net Sales	\$7,920	\$7,920	\$7,920	\$7,920
COST OF SALES				
Beginning inventory	\$0	\$0	\$0	\$0
Plus goods purchased / manufactured	0	0	0	0
Total Goods Available	\$0	\$0	\$0	\$0
Less direct labor	2,772	2,772	2,772	2,772
Total Cost of Goods Sold	\$2,772	\$2,772	\$2,772	\$2,772
Gross Profit (Loss)	\$5,148	\$5,148	\$5,148	\$5,148
OPERATING EXPENSES				
Total Selling Expenses	\$0	\$0	\$0	\$0
General/Administrative				
Start up cost	\$0	\$0	\$0	\$0
Taxi License	100	0	0	0
Missionary Stipend	1,250	1,250	1,250	1,250
Insurance	1,800	0	0	0
Rent	750	750	750	750
Depreciation & amortization	800	800	800	800
Training	125	125	125	125
Equipment maintenance	1,000	0	0	0
Bus modifications	500	0	0	0
Total General/Administrative Expenses	\$6,325	\$2,925	\$2,925	\$2,925
Total Operating Expenses	\$6,325	\$2,925	\$2,925	\$2,925
Net Income Before Taxes	(\$1,177)	\$2,223	\$2,223	\$2,223
Taxes on income	0	0	0	0
Net Income After Taxes	(\$1,177)	\$2,223	\$2,223	\$2,223
NET INCOME (LOSS)	(\$1,177)	\$2,223	\$2,223	\$2,223

Pro Forma Statement of Financial Positions

Matatu Enterprises

Year 2

ASSETS	Year 1	Year 2	Year 3	Year 4
Current Assets				
Cash	\$5,469	\$8,492	\$11,515	\$14,538
Net accounts receivable	0	0	0	0
Inventory	0	0	0	0
Temporary investment	0	0	0	0
Prepaid expenses	0	0	0	0
Total Current Assets	\$5,469	\$8,492	\$11,515	\$14,538
Fixed Assets				
Long-term investments	\$0	\$0	\$0	\$0
Land	0	0	0	0
Vehicle s (net of depreciation)	29,600	28,800	28,000	27,200
Plant & equipment (net)	0	0	0	0
Furniture & fixtures (net)	0	0	0	0
Total Net Fixed Assets	\$29,600	\$28,800	\$28,000	\$27,200
TOTAL ASSETS	\$35,069	\$37,292	\$39,515	\$41,738
LIABILITIES				
Current Liabilities				
Total Current Liabilities	\$0	\$0	\$0	\$0
Long-term Liabilities				
Total Long-term Liabilities	\$0	\$0	\$0	\$0
Net Assets				
Capitalization	\$40,000	\$40,000	\$40,000	\$40,000
Unrestricted Net assets	(\$4,931)	(\$2,708)	(\$485)	\$1,738
Total Net Assets	\$35,069	\$37,292	\$39,515	\$41,738
TOTAL LIABILITIES & NET ASSETS	\$35,069	\$37,292	\$39,515	\$41,738

Pro Forma Statement of Cash Flows

Matatu Enterprises

Year 2

Cash flows from operating activities	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Cash received from customers	\$7,920	\$7,920	\$7,920	\$7,920
Cash received from Unrestricted and Temporarily Restricted Contributors	0	0	0	0
Cash paid for drivers wages	(2,772)	(2,772)	(2,772)	(2,772)
Cash paid for operating expenses	(6,325)	(2,925)	(2,925)	(2,925)
Add Depretiation expense	800	800	800	800
Cash paid for taxes	0	0	0	0
Net cash provided (used) by operating activities	(\$377)	\$3,023	\$3,023	\$3,023
Cash flows from investing activities				
Cash received from sale of capital assets (plant and equipment, etc.)	\$0	\$0	\$0	\$0
Cash received from disposition of business segments	0	0	0	0
Cash received from collection of notes receivable	0	0	0	0
Cash paid for purchase of capital assets	(16,000)	0	0	0
Net cash provided (used) by investing activities	(\$16,000)	0	0	0
Cash flows from financing activities				
Other	0	0	0	0
Net cash provided (used) in financing activities	0	0	0	0
Increase (decrease) in cash during the period	(\$16,377)	\$3,023	\$3,023	\$3,023
Cash balance at the beginning of the period	21,846	5,469	8,492	11,515
Cash balance at the end of the period	\$5,469	\$8,492	\$11,515	\$14,538