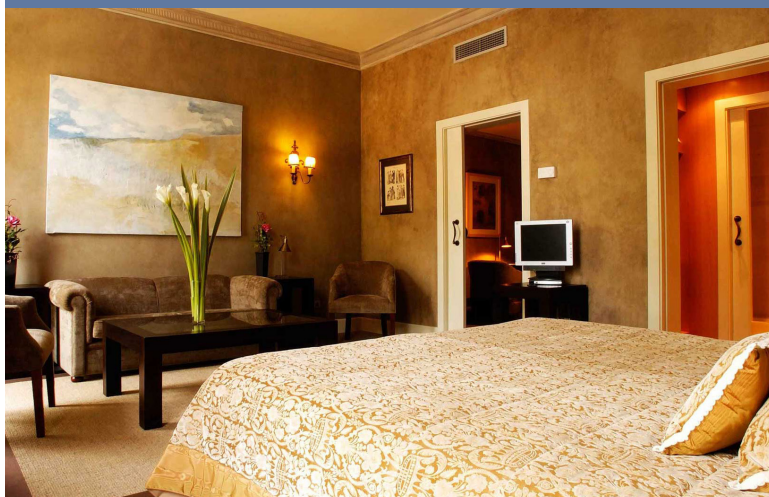


Tourism Sector



FOUR STAR BRANDED TOURIST HOTEL

Introduction

A franchise shall be brought from one of the world's best hotel for travelers known as Holiday Inn Express Hotel. Due to the growth and development of the tourism sector, there is a need to exploit such an opportunity by establishing such a hotel such that when tourists come to the country, they don't miss what is in their home land. The franchiser will do the marketing of the hotel internationally hence making massive sales/ revenue.

However, the franchisee will be expected to pay 10% of the sales made monthly. The franchise shall be bought with cutesy that whoever will be a customer of holiday inn express, shall also be a customer in the precedent host. The hotel shall be designed to the standards of the franchiser.

Its market is determined by local individuals and the level of tourists who come for the holidays since Uganda is gifted by

nature which attracts a number of foreigners to come and spent their holiday especially during winter and summer seasons. Also government officials, diplomats and foreign investors having meetings, conferences and workshops are part of the market.

The business aims at having 70 rooms, consisting of single deluxe, double deluxe, family suits, 100 seat conference room, health club with sauna and gym, adults and kids swimming pool, 2 hotel shuttles, and parking for 30-40 vehicles.

The revenue potential is estimated at US\$2,646,000 with a net profit margin of 32% and an estimated payback period of 1 year and 1 month. The total capital investment for the project is US\$ 3,011,725.

Hotel capacity

The hotel is a long term investment and for the first two years, it's expected to have 50%-70% occupancy. However, full capacity utilization is at hosting 70 guests per day.

Capital Investment

Item	units	qty	@	amount
land	acres	2	160,000	240,000
buildings		1	2,000,000	2,000,000
housekeeping items		70	1,000	70,000
furniture & fittings		70	8,000	560,000
architectural plan		1	20,000	20,000
Motor vehicles and Equipment		2	50,000	100,000
generator		1	5,000	5,000
Computers		5	1,000	5,000
security items		1	10,000	10,000
telephone intercom lines		75	23	1,725
Total				3,011,725

Service and Operational costs in US Dollar

Direct costs	units	@	qty/day	service cost/day	service cost/month	service cost/yr
Fuel	litres	1.46	20	29	876	10,512

stationery		4	2	8	228	2,736
repairs & maintenance	No.	1	1	100	3,000	36,000
housekeeping supplies		100	4	400	12,000	144,000
foods and drinks	tonnes & crates	3,000	1	3,000	90,000	1,080,000
advertising costs					5,000	60,000
franchise fee						266,686
telephone costs					5,000	60,000
sub total					116,104	1,659,934

general costs

salaries/wages	40,000	480,000
utilities(power & water)	30,000	360,000
Depreciation (Buildings)	3,333	40,000
Depreciation (furniture and fittings)	4,667	56,000
Depreciation Housekeeping items	1,944	23,333
Motor vehicles and Equipment	2,083	25,000
miscellaneous expenses	2,000	24,000
sub total	84,028	1,008,333
Total operating expenses	200,132	2,668,267

Probability Analysis

	per day	per month	per year
Revenue (Rooms)	7,350	220,500	2,646,000
Revenue (other)	2,450	73,500	882,000
total operating expenses	7,412	222,356	2,668,267
Profit	2,388	71,644	859,733

Risk:

Fluctuations in tourist and visitor numbers which can be mitigated through proper marketing