

**NAME: OLU-AJAYI OLUWASEMILOORE MARVELLOUS**

**MATRIC NUMBER: 18/LAW01/185**

**LEVEL: 200**

**DEPARTMENT: LAW**

**COURSE TITLE: GST 212**

**COURSE TITLE: INTRODUCTION TO ENTREPRENEURSHIP**

## **MARJOKE HOTEL BUSINESS PLAN**

### **1) EXECUTIVE SUMMARY**

Marjoke Hotel will be located at Victoria Island, Lagos State. It will offer customers a 20 two-bedroom units (10 standard rooms and 10 suites) with underground parking, fully-equipped kitchens, laundry facilities and a swimming pool area. Each year, during festive periods to be precise, the “Island” part of Lagos is always busy with events for entertainment and this is a good location for the development of this hotel. We are equipped with the right facilities for lodging and we also feature an intercontinental restaurant, bar, seasoned staffs, security and spacious parking space. We plan to be more than a great lodging center, recreation and event center. We also plan to expand our exposure using the internet and social media to attract people that have not yet discovered this year-round paradise. It would also enable us to maintain a higher than average occupancy rate, average room rate and above average profits.

### **2) OBJECTIVES**

The objectives of Marjoke Hotel includes:

- i) Maintaining a 80% occupancy rate each month

- ii) Assembling an experience and effective staff
- iii) To increase the number of clients by 18% each year
- iv) Increase our exposure and market using social media and direct advertising
- v) Steadily increasing number of patronage in 18 months
- vi) To serve our customers beyond their expectations
- vii) To create a solid awareness scheme to inform our community about our services/

### 3) **MISSION STATEMENT**

Marjoke Hotel is a new hotel establishment that specializes in the provision of accommodation, conference rooms, bar, restaurant and swimming pool services. Marjoke Hotel's mission is to become the best provider of hotel services in Nigeria.

### 4) **COMPANY ANALYSIS**

Marjoke Hotel will have a 40-room capacity which will be fully air conditioned. It will also have state of the art swimming pool area and mini golf course. It will also have a ramp which will make it easier for the guests to have access to the hotel lobby in grand style. We will also have a 2 hectares mini golf course which can be used by our guests and for the golfing events we will also host. Our hotel will be equipped with modern furniture, high-end technology and modern accessories. We plan to open 7 days a week, 24 hours a day, to take care of guests' inquiry and issues as they may arise.

### 5) **INDUSTRY ANALYSIS**

Marjoke Hotel directly or indirectly competes with hotels nearby our hotel locations that offer similar services as we do. We plan to have a sizable market share in the industry.

### 6) **CUSTOMER ANALYSIS**

Marjoke Hotel is based on becoming a destination choice for the people visiting Lagos who are looking for a place to relax or do business. Our target market includes:

- i) **FIT (Foreign International Travel)**: These are international guests who come in for either business or leisure purposes e.g. tourists

- ii) **Local business**: These are guests who live in Nigeria and want to have meetings
- iii) **Local leisure**: This includes newly-wed couples or families looking for a serene environment to relax and have fun.
- iv) **Events and Sports**: These are guests who are coming to either have their own events or are coming to attend events in the hotel.
- v) **Promotions**: These are guests on complimentary sponsorship by a company or an organization.

## 7) **COMPETITIVE ANALYSIS**

A few hotels are located within the same environment as Marjoke Hotel' thus providing either direct or indirect competition for customer acquisition. The major competition is the Landmark Hotel. This hotel provides luxury amenities; many of which are not necessary for business travelers and they also charge a high price for them. This hotel also does not offer wireless internet in sleeping rooms.

Marjoke Hotel plans on establishing a long-lasting relationships with satisfied customers because the longer the relationship stands, the more our customers understand what we offer them and why they frequently visit our hotel.

We are being patronized for the following reasons:

- i) Provision of high quality hotel services
- ii) Excellent hotel facilities and uninterrupted power supply
- iii) Great incentives
- iv) Excellent customer care.

Our major competitive advantages include:

- i) **Location**: We are located in the economic and most popular center of Lagos state which is Victoria Island. This same location has the largest parking space in the area.
- ii) Local and Intercontinental dishes in a world class style

- iii) **Excellent World Class Service:** We plan to ensure that our services will be different from that of the other hotel providers. Our client follow-through will be flawless.
- iv) **Highly Skilled Workforce:** Our business ethic will ensure a greater service and will strengthen the customer contacts that promote word of mouth marketing and networking.
- v) **Business Amenities:** Wi-Fi throughout the hotel will make working remotely simple for business visitors.
- vi) **Relationships:** Having being in the hotel industry for a number of years, Mrs. Marjoke who is the founder has met quite a number of influencers and leaders. As such, it will be relatively easy for us to build the brand and awareness of the hotel.
- vii) A highly secured environment
- viii) Long-term business experience of the management team
- ix) Affordable rates.

## 8) **MARKETING STRATEGY**

Marjoke Hotels has its own website and advertising. This hotel receives approximately 85% of its guests from the Marjoke Hotel booking system. In addition, Marjoke Hotels will be highlighted in the Guardian Magazine every month as a form of advertisement.

The Channels through which the hotel will be using to get its sale out to the public will include:

- i) OTA( Online Travel Agencies)
- ii) ORS( Online Reservation System)
- iii) GDS ( Global Distribution System)
- iv) Corporate ( Company's Account)
- v) Word of Mouth
- vi) Hospitality Association Group.

Also, we will like to have a good customer service and a good relationship with our customers. The following methods are the ways we will make use of to ensure we have a good relationship with our customers and they include:

- i) **Customer Feedback System**: Using the website, Trip Advisor, we will be able to get feedback from our customers on how that feel about our services and how we can improve on them.
- ii) **Agent Dinners**: These are dinners organized by the hotel for the agents who bring in guests to our hotel. It is a feedback avenue as well as customer relations management event.
- iii) Sales Calls/ Visit
- iv) Customer Databases
- v) Promotions
- vi) Repetition of Customers.

## 9) **OPERATIONS PLANS**

This is a highly detailed plan that provides a clear picture of how each department in this hotel will contribute to the achievement of the organization's goal. This hotel will be divided into various divisions namely:

- i) Rooms Division which will involve the
  - a) **Front Office Department**: They act as the public face of the hotel and their primary aim is to welcome hotel patrons and check in guests. They also provide assistance to the guests during their stay.
  - b) **Housekeeping (Laundry) Department**,: The primary function of this department is to keep the hotel clean, collect trash, empty wastebaskets, change the bed sheets and make the beds.
  - c) **Swimming pool and Gym Department**: This department is solely responsible for the registration of members and the provision of services.
- ii) **Food and Beverage Department which will include the Restaurant, In-room dining and Bar**: They are responsible for maintaining high quality of food and service, food costing, managing restaurants, bars, etc. Their operations include preparing food and beverage, keeping the inventory of service equipment, maintaining service quality continuously and managing various catered events.

- iii) **Sales and Marketing Division:** This division has the responsibility for deciding where the company should sell and what its prices should be. Their sole responsibility is to sell the hotel facilities.
- iv) **Admin and General Division:** This is the administrative back end of the hotel, it comprises of human resources, finance and general administration.
- v) **Procurement and Store:** This can also be called the Purchasing Department. Their duties include interviewing of vendors and suppliers, placing orders for goods needed by all hotel departments, keeping record of all purchases and payment, drawing up and signing contracts and agreements for the purchase of all goods and so on.

The key resources for business to be able to function includes:

- i) The hotel building
- ii) Plants and Machinery
- iii) Furniture and Fittings
- iv) Grounds and Gardens
- v) Human Resources
- vi) Shareholders Contribution.

## **10) MANAGEMENT TEAM**

The owner of this hotel in person of Mrs. Helen Marjoke who has 15 years' experience in the Hospitality and Tourism industry will be the Chief Executive Officer of this Hotel. She is a certified business consultant and project management professional. The Board of directors in which the CEO will also be part of, will consist of the shareholders of the company. Mr. Richard Ajayi who has 10 years of experience in the Hospitality industry will be the manager of daily operations of the Hotel. The other key personnel needed in this Hotel includes:

- i) Finance manager
- ii) Rooms Division Manager
- iii) Food and beverage manager
- iv) Maintenance manager
- v) Human Resources manager

- vi) Security manager
- vii) Sales and marketing manager
- viii) Front Office manager
- ix) Housekeeping/Laundry manager
- x) Groups and Events manager
- xi) Sales and marketing manager
- xii) Executive Chef
- xiii) Purchasing/Store manager

## 11) **FINANCIAL PLAN**

Marjoke's major revenue will come from the hotel room revenue and event hall rentals and other revenue streams. The major costs for the company will be salaries of the staff and cost to maintain the standards of the hotel.

We plan to obtain a loan from Fidelity Bank and Guarantee Trust Bank to begin our business. Our shareholders would also play a major role in the contribution of money to develop this bank. Peter and Paul Limited is one of the shareholders and investors in this business.

**Revenue Streams:** These are sources of revenue of a company or organization. They are the various sources from which a business earns money from the sales of its goods and services. These are aspects of the hotel where we will be receiving revenue and they include:

- i) **Food and Beverage Sales:** This revenue will be made from the sale of its continental and local dishes and also its drinks.
- ii) **Rooms Revenue:** This revenue will be generated from the sale of its rooms.
- iii) **Banqueting/Events Revenue:** This hotel will have a marquee and event halls which will be rented out for different types of events and functions. This will also generate income for the hotel.

- iv) **Swimming Pool Revenue**: Guests will also pay for the use of its swimming pool and may also decide to be members which will also cost money.
- v) **Gates and Parking**: Parking tickets will be issued at the gates and fees will be charged according to the amount of time used while still in the hotel.
- vi) **Gym Subscription**: For guests to be able to access the gym, payment will be made and guests can also subscribe for membership which will cost money.

**COST STRUCTURE**: This refers to the types of expenses a business incurs and is typically composed of fixed and variable costs. For this business plan, the cost structure will be divided into CAPEX (Capital Expenditure) and OPEX (Operating Expenses).

**CAPEX (Capital Expenditure)**: This is the money spent by a business on acquiring or maintaining fixed assets. They include:

- i) Office Equipment
- ii) Crockeries and Cutleries
- iii) Uniforms, Linen and Towels
- iv) Other forms of Equipment
- v) Plants and Generators
- vi) Air Conditioners
- vii) Furniture and Fittings.

**OPEX (Operating Expenses)**: These are the ongoing cost for running the hotel and they include:

- i) Staff Salaries
- ii) Utility Bills which includes Power (Electricity Bills) and Entertainment ( Payment for DSTV for example)
- iii) Taxation, Levies and Fines
- iv) CSR (Corporate Social Responsibility): This is a self-regulating business model that helps a company to be accountable to itself, its stakeholders and the public.
- v) Commissions



- vi) Interest to The Banks which the loan was obtained from.

### **CAPITAL REQUIREMENTS AND USE OF FUNDS**

Marjoke Hotels is seeking a total funding of ₦10,000,000,000 to launch the hotel. This will be used for funding capital expenditures, manpower costs, marketing expenses and working capital.

### **START-UP CAPITAL**

Building and Improvement Costs	₦7,000,000,000
Furniture and Fixtures	₦2,000,000,000
Developmental Start-Up Expense: a) Cost of Registration b) Cost of Hotel Equipment* c) Cost of Accounting Software d) Cost of Insurance e) Cost of License	₦500,000,000
Operational Cost for the first three months including salaries of employees.	₦500,000,000
<b>Total</b>	<b>₦10,000,000,000</b>

<b>FINANCIAL FORECAST FOR TWO YEARS</b>		
<b>ITEMS</b>	<b>Year 1(₦)</b>	<b>Year 2(₦)</b>
Room revenue	200,000,000	290,000,000
Food and beverage	94,000,000	118,000,000
Venue hire, Events and Entertainments	58,000,000	74,000,000
<b>Total Revenue</b>	<b>352,000,000</b>	<b>482,000,000</b>
<b>EXPENSES AND COSTS</b>		
Payroll	230,000,000	320,000,000
Sales, Marketing and other expense	700,000	850,000
Utilities	10,000,000	10,500,000
Insurance	50,000,000	50,000,000
<b>Total Operating Expenses</b>	<b>290,700,000</b>	<b>381,350,000</b>
<b>Profit Before Interest and Taxes</b>	<b>61,300,000</b>	<b>100,650,000</b>
Interest Expenses	1,900,000	1,700,000

Taxes Incurred	6,130,000	10,065,000
<b>Total taxes and interest</b>	<b>8,030,000</b>	<b>11,765,000</b>
<b>Profit/Loss</b>	53,270,000	88,885,000