

# Business Plan: Winda Investment Trust (WIT)

## 1.0 Executive Summary

By focusing on its strengths, its key customers, and the underlying values they need, WIT will increase revenue to more than KES2 million in three years, while also improving the gross margin on sales, trading, cash management and working capital.

This business plan leads the way. It renews our vision and strategic focus: adding value to our target market segments, the individual, small business and high-net customer, in the East African financial market. It also provides the step-by-step plan for improving our sales, gross margin, and profitability.

The plan includes this summary, and chapters on the company, services, market analysis, action plans, management team, and pricing structure.

## 1.1 Objectives

1. Create a capital base of KES7 million by the third year of operation.
2. Consistently provide high return on investment (ROI) to our client base.

## 1.2 Mission

WIT is built on the assumption that the management of client funds is like legal advice, accounting, graphic arts, and other bodies of knowledge, in that it is not inherently a do-it-yourself prospect. Smart individuals/business people who aren't out-and-out investors need to find suitable experts in the field of money management in Sub Sahara Africa. They need to use these quality personnel as they use their other professional service suppliers, as trusted allies.

WIT is such a provider. It serves its clients as a trusted ally, providing them with the loyalty of a business partner and the economics of an engaged player.

## 1.3 Keys to Success

1. Differentiate from price-oriented businesses by offering and delivering service plus support, and charging for it.
2. Increase gross margin to more than 25%.
3. Consistently monitor market movements in order to rake in best return on investment (ROI)

## **2.0 Company Summary & Ownership**

WIT is a 2-year-old money management fund resident in Kenya, with cross targets in both local as well as the diaspora market; that seeks above average returns in emerging African markets. Current capital stands at KES 5,500,000. The company is majority held by sole proprietor, namely; Collins Oyunge Obiero, who bears a wealth of experience in the East Africa financial industry having worked in various administrative capacities for a leading commercial bank in Kenya for over 7 years. WIT has a good reputation, excellent people, and a steady position in the local market.

### **2.1 Company Locations and Facilities**

We have one operational location -- a quarter acre premises in a Nairobi suburban shopping center, named Kitengela. The facility is fully owned by WIT. It includes a training area, service department, and an administrative office.

## **3.0 Products and Services**

WIT sells knowledge and insight into the East African financial markets by actively trading in all exchanges in the region i.e. the Nairobi Stock Exchange (NSE), Uganda Securities Exchange (USE), Dar-es-salaam Stock Exchange (DSE) and Rwanda Stock Exchange (RSE). Ultimately, we are really selling ideas and expertise. We sell reliability, and confidence. We sell the assurance to customers of the ability to grow their wealth.

### **3.1 Service Description**

In our investment proposition, we support three main lines:

*Securities:* This is the main service proposition that is on offer at WIT. African markets are diverse and therefore extreme risk is involved in the purchase of stocks. However, WIT aims to bring in expertise gained from trading over the last six years in order to deliver returns ranging between 8-60%. The minimum forecasted gestation period is one year.

*Bonds:* Minimum investments in the East African bond market starts from USD 1190. Rates of return in the bond segment range between 8-12%. The return from bonds is fixed, with no option of getting returns more or less than current market rates. Investment span is set at one year or more.

*Real Estate:* This is an emerging area of investment in Africa and the firm will initially explore opportunities to buy land in middle income areas in Nairobi such as Kiambu, Ruiru and Kitengela that are currently offering returns of up to 70% with a gestation period of one year. A branch-out to other counties that offer opportunity should be expected in mid-term.

### **3.2 Competitive Comparison**

The only way we can hope to differentiate well is to define the vision of the company to be an investment firm ally to our clients. The benefits we sell include many intangibles: confidence, reliability, knowing that somebody will be there to answer questions and help at the important times.

These are complex services that require serious knowledge and experience to indulge, and our competitors sell only the service itself without giving insight into their actions. WIT trades in openness with its client base.

### **4.0 Market and Industry Analysis Summary**

We are part of the financial services sector that includes banks, forex bureaus, insurance firms, micro-finance institutions etc. WIT focuses on financial markets in East Africa. The firm believes in market segmentation. The segmentation allows some room for estimates and nonspecific definitions. We currently focus on a small-medium level of business, and it is difficult to find information to make an exact classification.

#### **4.1 Strategy and Implementation Summary**

*Emphasize service and support.*

We must differentiate ourselves from the clutter. We need to establish our business offering as a clear and viable alternative for our target market, to the price-only kind of buying.

*Build a relationship-oriented business.*

Build long-term relationships with clients, not single-transaction deals with customers. Become their financial advisor, not just a vendor. Make them understand the value of the relationship.

*Differentiate and fulfill the promise.*

We can't just market, sell service and support, we must actually deliver as well. We need to make sure we indeed have the knowledge-intensive business and service-intensive business we claim to have.

#### **4.2 Pricing Strategy**

We must charge appropriately for the high-end, high-quality service and support we offer. Our revenue structure has to match our cost structure, so the salaries we pay to assure good service and support must be balanced by the revenue we charge.

We cannot build the service and support revenue into the price of products. The market can't bear the higher prices and the client feels ill-used when they see the same service priced lower at the chains. Despite the logic behind this, the market doesn't support this concept.

Therefore, we must make sure that we deliver and charge for service. WIT will charge commission as per the following simplified structure:

<b>Amount</b>	<b>Commission (%)</b>
USD 10 - 500	3
USD 501 - 1000	2.5
USD 1001 >	2

Minimum investment is currently pegged at USD 10, with increments of similar amount being encouraged at monthly/regular intervals in order to build a formidable portfolio of investments. Any increases in value of client's investment is payable to the client. The commission is chargeable both on buying into and withdrawal from the fund. Payment will be via Society for Worldwide Interchange of Financial Telecommunication (SWIFT)/Real Time Gross Settlement (RTGS) into our business account with the cost of transfer of funds being borne by the client.

A statement of all transactions entered into by WIT on behalf of our clients will be availed on monthly basis and/or on demand. We envision an online platform in near future for ease of reconciliation as the client base grows, whereby we currently have 11 registered members.

**4.3 Promotion Strategy**

WIT depends on word of mouth as our main way to reach new clients. As we change strategies and/or experience increase in customer numbers, the firm may review the way in which we promote ourselves.

We look forward to your joining of our investment group.