

Akwaaba - (Hotel Reservation)
Business Plan

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1 Company Description

Akwaaba (which means welcome in Akan) is a mobile web application owned by GHWorld that primarily allows people to easily find hotels in Ghana and make reservations.

1.1 Mission Statement

Our primary responsibility is to the financial well-being of Akwaaba. In doing this, we will also consider:

1. The needs or wants of our clients(Hotels) and their customers.
2. Providing fare rates that provides a conducive environment for business between the company, clients and customers.
3. The legislative structures in place governing taxation and the operation of businesses in the country

The vision of Akwaaba is to be the one-stop search site for hotels in Ghana.

1.2 Development & Status

The founders of GHWorld inc. are:

- **Lartey Louis-Mark:**

Skills in C, C++, Java, Python, HTML, CSS and Django. He is a co-founder of GHWorld inc. and is mainly responsible for the business end and marketing of GHWorld inc. projects. He also provides technical support to the team. He graduated from Achimota School in Accra, Ghana and is currently in his final year at the University of Ghana, Legon studying computer engineering.

- **Nichie Aaron:**

He has experience coding in C, C++, Java, Python, Matlab, HTML, CSS and Django. He is responsible for the technical details for GHWorld projects. He is one of the co-founders of GHWorld inc. He graduated from Edinaman Secondary School in Elmina and is currently in his final year at the University of Ghana, Legon studying computer engineering.

- **Asante Kwadwo Okrah:**

He has experience coding in C, C++, Java, Python, HTML, CSS and Django. He is one of the co-founders of GHWorld and works in the technical department of GHWorld inc. He is a graduate of Accra Academy Secondary School and is currently in his final year studying computer science in the University of Ghana, Legon.

Each of the co-founders have equal stake in Akwaaba.

Akwaaba is currently in the development phase and is expected to be available for testing by the 14th of July, 2011. After this, clients(hotels) will be sought and Akwaaba can then be set for its operations phase.

1.3 The future

Akwaaba may be expanded to include booking of conference facilities and the renting or sale of houses in the future if a large customer base has been developed

1.4 Why Akwaaba?

Noting the difficulties tourists face in finding hotels in Ghana, reviews on these hotels, making reservations for these hotels and an easy mode of payment for the reservations made, GHWorld developed the Akwaaba to make these services easily accessible to tourist without much hustle. GHWorld also spotted a window of opportunity here where Akwaaba may serve as a means of advertisement for these hotels to their potential client and also charge a small percentage on reservations made using Akwaaba. In so doing, Akwaaba makes it easier for customers to find hotels and make reservations while the hotels also get more exposure and also a better alternative to managing reservations.

2 Industry Analysis

The Hotel industry in Ghana is picking up and fast becoming an active field for revenue generation. Year after year scores of hotels are established in Ghana and currently there are 248 registered hotels listed with the Ministry of Tourism, Ghana. Tourism is the third (3rd) largest foreign exchange earner in Ghana after cocoa and gold making it a potential area for business development.

2.1 The Hotel Industry Today

Today, the hotel industry is a thriving industry driven by tourism. There are a lot of 3-5 star hotels (many of which are located in the cities) with world class facilities like spas, gyms, restaurants, swimming pools, etc. Noted for its hospitality and good political and economic environment, Ghana attracts a lot of tourists and business people thus ensuring that these hotels are always in business.

Many of these 248 hotels in Ghana do not have websites and hence may prove difficult to find by their potential clients. The main mode of reservation is by calling the hotel's telephone lines (which may prove difficult to find) and payment is usually done by paying hard cash at the hotel's front desk. Hotel records and reservations are usually done manually on books or sheets which are filed and stored.

2.2 The Hotel Industry Tomorrow

Though it seems the hotel industry in Ghana is still trying catch up with the modern trends of technology sweeping the globe, it is fast closing that gap. In the next 5 years, it is predicted the cashless mode of payment for services may become very common (as services like ezwich, MTN Mobile Money, Tigo Cash and Zap by Zain are spreading across the country) and will be preferred over the payment of physical cash. Computers are becoming more affordable and hotels will have a database for storing information rather than using hard copies. A lot of the hotel activities will be computerized and there will also be an increase in the number of hotels since the Government has implemented policies to attract tourists to the country.

3 Products and Services

3.1 The Product

Akwaaba is a mobile web application which can easily be accessed by any device capable of accessing the internet. It is developed using Django software and has an easy to use interface making it attractive to all. Great emphasis has been placed on making the layout clear and user friendly so as to allow ease of navigation between its various views and quick access to information by just clicking icons. Akwaaba has three main interfaces and access to these interfaces is granted based on the type of user accessing it. These interfaces are explained below

3.1.1 The User Interfaces

This is the set of interfaces accessible to customers. It allows them to search for hotels based on their location, rate these hotels and review them. It also allows the users to make reservations and pay for these reservations before arriving at the hotel.

3.1.2 The Client Interfaces

This set of interfaces is available to our client hotels who can register as hotels or guest houses and list the various facilities and services available. They can upload pictures, load/change rates and also view and manage reservations made to their hotel/guest house.

3.1.3 The Administrative Interfaces

This interface is available to only the software administrators of Akwaaba who can track the number of reservations made for each hotel and also manage the hotels that are registered on Akwaaba.

3.2 Services

The main services provided by Akwaaba are:

1. Hotel Search: A means for customers to browse through hotels, view pictures, see ratings and reviews about the hotels.
2. Hotel Rating: A means for customers to rate and review hotels that they have visited.
3. Room Reservation: A means for customers to make reservations
4. Payment: A method for users to pay for their reservations online

4 Target Market

The large number of foreigners across the world who may want to visit Ghana and also Ghanaians who travel within the country are our target market. Due to globalization, Ghana has become known to the world as one of the most peaceful countries in the sub-saharan Africa and has attracted a large number of foreigners for business and leisure. Also, within the country, people may have to move from one part of the country to another. All these people will need accommodation hence Akwaaba may help serve that purpose. The existing market for Akwaaba is vast.

In summary the customer base can be divided into three broad groups:

- Foreigners who want to visit Ghana.
- Ghanaians who travel within the country.
- Hotels that register with our service.

Akwaaba is also expected to be attractive to the following types of people:

- The Ghanaian and/or foreign business person who may need to attend conferences and workshops in Ghana
- The Ghanaian and/or foreigner who wants to spend his/her leisure time in some parts of Ghana (for holidays or vacation).
- The Ghanaian and/or foreign student who may be seeking accomodation close to his/her university
- Hotels that want to be exposed to a larger customer base and easily manage and record reservations

The idea of spreading Akwaaba to other countries can also be explored thereby increasing the customer base for the product.

5 Revenue

A target of 20 hotels has been set for registration within the first month of launching Akwaaba.

If each hotel has an average of 20 (one night) reservations per month at an estimate of GHC 60.00 per reservation, then that means each hotel makes $GHC(20 * 60 = 1200)$ every month.

Assuming 10 out of the 20 reservations are made using Akwaaba, that will mean an amount of $GHC(10 * 60 = 600)$ will pass through our system.

This implies that a total of $GHC(600 * 20 = 12000)$ will pass through Akwaaba every month.

A flat rate of 5% will be charged on all transactions made using Akwaaba generating a revenue of $GHC(\frac{5}{100} * 12000 = 600)$ for the first month with only 20 hotels.

Lower percentage rates may be offered to hotels with a high number of reservations.

At the end of the first year, Akwaaba is expected to have 100 hotels registered for its services. This increases the revenue generated exponentially as shown below.

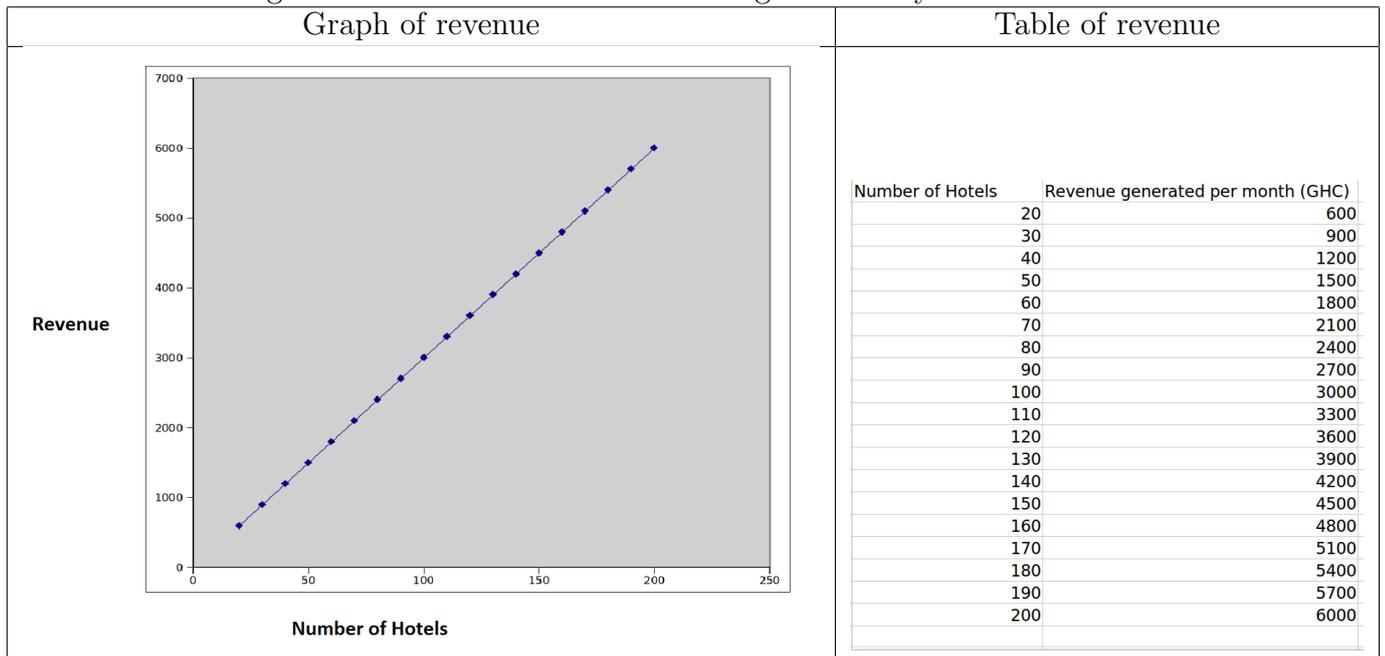
For 100 hotels with 15 (one night) reservations per hotel for every month made passing through Akwaaba at a GHC 60.00 per reservation, an amount of $GHC(600 * 100 = 60000)$ will pass

through Akwaaba every month.

Charging a flat rate of 5% on all transactions made in the month, Akwaaba will generate a monthly revenue of $\text{GHC}(\frac{5}{100} * 60000 = 3000)$.

It can be deduced that Akwaaba's financial success largely depends on patronage from customers and also having a large number of hotels registered with us. Also, the longer guests stay at the hotels, the more revenue is generated.

Figure 1: Overview of Revenue to be generated by Akwaaba



6 Competition

In developed countries, this field of business has been thoroughly explored and systems have been put in place to solve problems that may arise. Some of these solutions are adopted by hotels in the industry here in Ghana but since these solutions are not tailored to suit a middle-income country like Ghana, they may come at a great cost to the customers or hotels and hence are only available to an elite group of hotels and their customers.

In this regard, Akwaaba stands unique in our environment.

6.1 Competitor's Profile

Competing with Akwaaba for the target market are these categories of software:

- Hotel Management software that may be purchased online (usually expensive and inaccessible to the average hotel in Ghana).

- Hotel review websites that may provide some details about hotels and have the option of making reservations.
- A hotel's private website that may provide similar services.

6.2 Competitive Strategy

Here are some ways in which we intend to create an advantage over our competitors:

- product identity
- quality of service
- novelty of service
- innovative service options.

Akwaaba will be the only one amongst its competitors that provides a system for finding hotels in Ghana by cities, rating those hotels, reviewing them and making and paying for reservations all under one umbrella application at no extra cost to the customer. It may be viewed as the *Facebook* for hotels. Gradually Akwaaba will be known as the one-stop destination for making reservation and finding information on hotels in Ghana.

7 Marketing Plan

7.1 Market Penetration

Entering the market depends on how best we can advertise the product and convince both hotels and customers to use the service. To make this possible we will convince hotels to register by:

1. Making registration on Akwaaba free for all hotels.
2. Providing free service with no charge on transactions made for the first month after registration
3. Making the hotels aware of the benefits they stand to enjoy when registered with Akwaaba(better management system, more customers).
4. Protect customers by ensuring that only legally registered/recognised hotels in Ghana are successfully registered on Akwaaba

7.2 Marketing Strategy

A mix of marketing vehicles will be created to convey Akwaaba's presence, image, and message.

- Print media (fliers and posters)
- Social networks like Facebook, LinkedIn, etc
- Orally (by word of mouth, speaking to businesses, hotels and other corporate bodies in the country).

8 Operations

Akwaaba will partner with some of the existing companies that provide cashless mode of payment (maybe via credit card or mobile money) to customers to help them pay for the reservations they make.

A mechanism will also be put in place at the Administrator interface to monitor the transactions made with each hotel and calculate the percentage that must be paid by the hotels to Akwaaba.

At the administration interface, there will be an option to also successfully register new hotels, delete existing ones that do not meet our terms of service and handle reports made.

9 Long-Term Development

9.1 Aim

Akwaaba is an innovative concept that targets a new, growing market in Ghana and Africa. We assume that the market will respond, and grow quickly in the next 5 years. Our goals are to create a reputation of quality, consistency and comfort that will make us the leader in the provision of search services for hotels.

9.2 Strategies

Our marketing effort will be concentrated on getting more hotels to register on one hand and making our potential customers to use Akwaaba as the best option to find hotels. As the market changes, new products may be added to suit the changes and increase revenue.

9.3 Milestones

Akwaaba will start with only hotels in Accra as we keep a close eye on the revenue generated. If we are on target at the end of year 1, we will look to expand our services to a second city.

9.4 Risk Evaluation

With any new venture, there is risk involved. The success of our project hinges on the strength and acceptance of a fairly new market in Ghana. The potential risk is that we may not get the necessary number of hotels we require to register with us. There is also the risk of not being able to create the necessary awareness that Akwaaba needs.

9.5 Exit Plan

Ideally, Akwaaba will expand to at least the whole of Ghana in the next 10-15 years. At that time, we may entertain the possibility of a buy-out by a larger hotel management company or go public and trade on the Ghana Stock Exchange if we are big enough.