

KAWEMPE YOUTH CENTRE UGANDA

ICT FACILITY BUSINESS PLAN

2018

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Executive summary

KYC Uganda is the answer to an increasing demand for educational services and skills development in Kawempe Division. The community wants access to the better educational facilities at a cost they can afford, in order to bridge the gap of social, economic, and political isolation. One of KYC's ICT4Development objective is to run community initiatives that offer access to quality training and support services that meet development and educational needs of communities.

KYC Uganda which has been in existence for the past 15 years works to empower young people through its program. This business plan is prepared with the aim of converting KYC's ICT facility into a social enterprise capable of sustainably meeting its social obligations through income generated from the variety of ICT services that it provides.

KYC is building a community hub for learning, socialization and entertainment and is therefore positioning itself as an educational resource for individuals wishing to engage in academic, social learning, and skills development.

As the need for learning, training and skilling is growing at an exponential rate, easy and affordable access to learning facilities is quickly becoming a necessity of life. KYC provides the community with library and information services, ICT trainings, Internet experiences and recreation in a safe and comfortable environment. People of all ages and backgrounds come to enjoy the unique, educational, and social environment that KYC provides.

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1. The Organisation

Kawempe Youth Centre (KYC), located in Kawempe Division - Kizza Zone, offers the community with easy and affordable access to educational, recreational, and social services. Although especially targeting the Youth in Kawempe Division, KYC appeals to individuals of all ages and backgrounds. The services offered attract young and elderly members of the community who are rapidly gaining interest in the unique resources that academic and social learning have to offer.

Our research indicates that KYC offerings give both young people and adults a place to go and something to do that is more wholesome and educational. KYC provides training exposure that assists local students and the less educated to find better paying jobs through improved literacy and proficiency.

Today, KYC is integral to the Community's intellectual and cultural life, deeply rooted in and responsive to the community needs, providing access to information, knowledge and ideas; promoting personal enrichment and life-long learning; encouraging a love of reading in all age groups; and fostering cultural and educational partnerships. KYC is committed to promoting the broad dissemination of ideas necessary for personal and community development. This service is given equally to all members of the community, but with special consideration to the young people who are under-served members of our community.

1.1 Management

Kawempe Youth Centre (KYC) is a registered local organisation that works towards building literate communities using the efforts of both local and international volunteers. It is governed by a Board of Directors comprising of the following People:

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|----------------------------|-------|------------------------------|
| 1. Mr Kibedi Abdu Nkuutu | | Board Chairman |
| 2. Mr. Mutyaba Peter | | Board Vice Chairman |
| 3. Mr. Bwete Nsubuga | | Board Treasurer |
| 4. Rev. Musamali Bobson | | Member |
| 5. Mr. Khalid Kintu | | Member, Youth representative |
| 6. Mrs. Kayanja N. Harriet | | Member |
| 7. Mrs. Kabwaka Dorothy | | Member |

The day-to-day operations of the organization are coordinated by Ms Esther Kyazike who is the CEO of KYC and also the secretary to the Board of Directors She has been with KYC since its inception, and has overseen the transformation of KYC from its humble beginning to its current status. KYC currently has 8 staff members.

2. KYC's ICT4Development program

KYC has achieved some of its stated objective mainly through the help of volunteers and donors. The global economic crisis has greatly affected the flow of donor funds and the



operations of many not-for-profit organizations relying on those donations to fund their operations.

The major objective of preparing the ICT Facility business plan is to explore ways in which KYC can continue to serve its social mission without too much reliance on external support. The objective is to explore ways in which KYC can generate local income from the ICT facility, without sacrificing its commitment to reach the under-served communities.

The ICT4Development program will run activities that promote user access to electronic educational resources, online education and ICT use in library operations. Additionally, the program will run independent and partnership projects addressing entrepreneurship and employment challenges within communities.

Seeking to realise its social mission sustainably through earned income, KYC will aim to achieve the following broad objectives:

- i) **To stimulate literacy and a reading culture in the community through internet:** By providing internet, computer lessons and Electronic materials that excite the imagination and provide pleasurable reading, viewing and listening experience to support individuals of all ages engaged in the pursuit of learning and exploration of topics of personal interest.
- ii) **To expand current operations and increase income without raising the fees charged:** by expanding, renovating and modifying the working area; expanding the capacity of the library, computer, internet and secretarial services. The ICT facility requires funds for internet subscription and expansion in terms of number of IT equipment and accessories.
- iii) **To develop youth skills and boost employment:** Young people will be given computer applications training under guidance of the ICT facilitator.
- iv) **To generate income:** through the library and internet user fees and from the computer applications training fees

2.1 Service description

2.1.1 Library Services

KYC has a traditional library stock of textbooks, novels and reference material to meet the information needs of its clientele. There is a reading room that houses about 80 users. Although KYC tries to update its library stock at least once a year, the ever increasing demand for books can never be met in addition to the regular changes in the school curriculum syllabuses necessitating update of its library stock.

KYC plans to establish an e-library which will provide new and more E-educational resources to complement the existing traditional book collection. In order to have an efficient e-library service, there is need to have reliable and fast internet connection. Integration of computer and internet technology in KYC library will enhance access and use of ICT in education while making use of platforms that offer free resources that can be adapted to meet users' information and



educational needs. Readers who want to work with their laptops will be availed the opportunity to do so.

2.1.2 Computer and Internet Related Services

KYC currently owns 6 computers of which one acts as the server. The 5 computers are then used both for internet and for trainings. For several months now, there has been a general problem with internet connection which affected the functioning of the internet service.

Using the N-Computing technology, KYC plans to add another 5 monitors linked to the main server with access to the Internet.

KYC will also provide its customers with access to introductory computer, Internet and email classes.

2.1.3 Skills Development Services

KYC has been conducting annual entrepreneurship skills trainings for youth in partnership with like-minded organisations. To continue to respond to the lack of employment and lack of employable skills among the Youth in the community, KYC plans to put more emphasis in ICT and soft skills development.

2.2 Competitive Comparison

The multiple service and product nature of KYC's business faces competition on multiple levels. KYC competes with Internet service providers and Computer training centres in and around KYC's competitive edge will remain the integration of all these services into learning and community development initiatives that are imbedded in our principal offering of a public library and its related services. The good news is that KYC does not currently face any direct competition from any other Libraries in Kawempe Division. KYC was the first and is still the only privately owned public Library in Kawempe Division. This unique situation presents us with a unique first mover advantage that we can use to propel all the other offering.

Other advantages include: management's past experience, the goodwill developed within the community, excellent location relative to the targeted community and the selection of services that are offered. KYC Uganda plans to enhance these advantages in a new, comforting environment.

2.3 Market Segmentation

Although KYC targets the youth of Kawempe, KYC's actual market falls anywhere between the ages of 1 and 55. This extremely wide range of ages is due to the fact that KYC services appeal to a variety of people. KYC's customers can be divided into two groups.

- i) The first group is familiar with the Library, computers and Internet services and desires a progressive and inviting atmosphere where they can get out and enjoy the unique reading or working environment.



- ii) The second group is not familiar with, some or all of, these services, yet, and is just trying to get to terms with the use of these services.

Within these two broad categories, KYC's target market can be divided into more specific market segments that include:

- i) The secondary school students who could be recruited directly or through their parents. Their interests are broad – educational, skilling and social. They are the biggest target for KYC offerings.
- ii) Youth outside school for the skilling and social services
- iii) Business people and the working class will be targeted for the internet and secretarial services

2.3.1 Customer profiles

The majority of the KYC customers are students:

- i) The primary school pupils - need to be initiated in the culture of reading and the world of computers and the internet. They need greater care and instruction about what to read, where to get what to read and the interpretation of what they read.
- ii) Secondary school students are the main target of the KYC initiative. A number of the Secondary school students are mainly adolescents who are trying to explore the world and need to find lots of answers to the numerous questions that their encounters with the world of adolescents poses to them. Many of these answers can be found in the knowledge stocks available at KYC. They need less care and instructions about what to read, where to get what to read and the interpretation of what they read than the pupils. They also have more pocket money to spend than pupils.
- iii) Students in tertiary institutions carry a heavier burden of studying than secondary school students. That means they need more advanced and specialised reading materials. With the increase of the age, they would like to use individual things which can show their individuality.
- iv) Non-student customers Include: out of school young people, School teachers, business people and the working class will also need to search some useful and helpful work-related information. Residents living near the library and passer-by may find some useful products and services from the KYC offerings.
- v) Youth outside school will be most interested in our skilling programmes that will provide them with the opportunity to gain employment and marketable skills.

2.4 SWOT Analysis

The SWOT analysis provides us with an opportunity to examine the internal strengths and weaknesses KYC must address. It also allows us to examine the opportunities presented to KYC as well as potential threats.



KYC has a valuable inventory of strengths that have sustained it in the past, and will help it succeed in future. These strengths include: a knowledgeable and friendly staff, accumulated physical and material assets, community goodwill, and a clear understanding of community needs. Strengths are valuable, but it is also important to realize the weaknesses KYC must address. These weaknesses include: a dependence on donor financing, and the cost factor associated with keeping in touch with the fast changing knowledge products.

KYC's strengths will help it capitalize on emerging opportunities. These opportunities include, but are not limited to, a growing population of education services users, and the growing social bonds fostered by the new learning community.

Threats that KYC should be aware of include, the rapidly changing educational and knowledge resources, and growing local competitors in the market. Also as more and more people own smart phones, internet access is becoming so cheap and affordable that nobody will probably be willing to pay for access to it. With electronic reading materials replacing books the increasing access of the internet into people's homes may pose a real danger to the library concept. KYC is aware of this threat and will closely monitor pricing and ensure that the services provided are innovative and remain relevant to meet the needs of the different clients that are served.

2.5 Marketing Strategy

KYC will position itself as an information and knowledge services centre providing high-quality educational services at a competitive price. Because we seek to serve the underserved, it is important that KYC sets fair prices for its services. KYC will use the rich network of stakeholders such as schools, religious institutions and community leaders as its main source of promotion. Local community advertising and flyers will help build customer awareness.

2.5.1 Promotion Strategy

To boost KYC's relevance to the community, KYC need to lay strategies aimed at increasing the frequency of its clients' visits to KYC premises. It is our expectation that increasing the frequency of paying clients' visits will result in increased income to KYC.

KYC will promote the ICT facility within the community in order to build consumer awareness and demand. Initially, KYC has budgeted 200,000/= for promotional efforts which will include local community radio and flyers. The flyers will be distributed to community members.

2.5.2 Pricing Strategy

From the survey conducted in 2012, most respondents felt that the service fee charged were low in comparison to similar services offered by other firms. Internally, Internet services were considered to be relatively higher than the other services provided by KYC. About 12% of the



respondents perceived internet services at KYC to be higher than the rates offered by other firms.

It is important to note that majority of respondents still consider fees charged by KYC to be low or fair; meaning that charges can be revised without much offence to the clients. However, it is also noteworthy that most residents view KYC as a charity organization, and any plan to revise prices upward must take this in consideration.

In view of this, KYC will use a discriminative pricing strategy to be able to maximise earnings from the experienced knowledge users who are aware of the benefits of KYC'S knowledge resources and can afford to pay the market value for the services. Earning from services provided to such customers will be used to subsidise services offered to new customers who cannot afford the market prices for the services. We will aim to have a high number of users so that the volume of user can make up for the low prices to be charged to the new users.

2.6 Sales Strategy

KYC's ability to raise local income depends on how sales transactions will be handled. KYC's commitment to friendly, helpful service is the key factor that will distinguish KYC from other competitors. KYC will therefore maintain and develop a user friendly environment to facilitate reliable and efficient service provision.

2.6.1 Sales Forecast

The table below gives details of expected income in year 1 and year 2.

DETAILS OF SERVICE	YEAR 1			YEAR 2		
	Quantity	Price in Shs	Income raised per month in Shs	Quantity	Price in Shs	Income raised per month in Shs
Library users using online resources per day	10 x 20days	1,000	240,000	15 x 20days	1,000	300,000
Internet users	10 x 24days	1,000	240,000	15 x 24days	1,000	360,000
Computer applications trainees	5 @ month	50,000	250,000	8 @ month	50,000	400,000
Income raised per month			730,000			1,060,000
Total income raised in the year			5,110,000			12,720,000

BREAKDOWN OF EXPENSES ON A MONTHLY BASIS

ITEM	2018	2019



Electricity bill	100,000/-	100,000/-
Internet subscription	-	300,000/-
Facilitator's allowance	400,000/-	400,000/-
Maintenance and service	50,000/-	50,000/-
Total monthly expenses	550,000/-	850,000/-
Balance of income after expenses	180,000/-	210,000/-

Notes to the sales strategy:

* If the business proposal is approved, it is planned that the service re-opens in June 2018 and therefore 7 months of operation for the year 2018.

** It is planned that KYC will make it mandatory to save atleast 150,000/- out of the monthly income earned. The balance thereof will be part of the administration petty cash.

*** If KYC puts in more effort in promoting the service within the community and the partner schools, it is expected that more people shall be attracted to use the services and thereby raising income generated by KYC. Care shall be taken to save income to re-invest in the subscription of internet beginning 2019, contribution towards power bills and meeting the facilitator's salary.

It should also be noted that the cost of items increase year by year and therefore the cost of offering the service shall also change over the years which means the income raised will also change.



3. Financial Plan

The following sections lay out the details of our financial plan for the next five years.

3.1 Estimated Budget for investing in the ICT facility

This business plan is premised on obtaining financing in the amount of shillings **9,844,000/-** required to strengthen the ICT facility through internet subscription and equipment purchases in the first year of operation.

Budget line	Quantity	Unit Cost	Sub-total in UgShs	Total in UgShs
1) Establishing e-library				
a) Internet services with monthly subscription to Smart Telecom	6 months	300,000	1,800,000	1,800,000
3) ICT equipment required				
a) Power stabilizers	5 pieces	270,000	1,350,000	
b) Extension cords	3 pieces	25,000	75,000	
c) LCD monitors	5pieces	330,000	1,650,000	
d) Mouse	10 pieces	10,000	100,000	
e) Mouse pads	10 pieces	10,000	100,000	
f) Key boards	5 pieces	25,000	125,000	
g) Internet cables	30 meters	3,000	90,000	
h) Cable jacks (connectors)	10 pieces	2,000	20,000	
i) N- Computing patch cards	5 pieces	333,200	1,666,000	
j) PCI card	10 terminals		300,000	
k) Network Attached Storage equipment	1 piece	2,268,000	2,268,000	
l) Technical support; setup and installations			100,000	
m) Promotion of the ICT services			200,000	8,044,000
GRAND TOTAL				9,844,000
				Euros 2235.77

Exchange change; 1euro= 4,402.96UgShs

