

IV Fluid

Business Case

Business scenario's

Scenario	Bottles	Revenue	Profit	ROI	Investment
• Base (own use)	81	2.1mil	-133k	-	21mil
• Scale up level 1	120	3.1mil	532k	46	24.3mil
• Scale up level 2	240	6.2mil	2.6mil	16.3	42mil
• Scale up level 3	480	12.4mil	5.9mil	11	65mil
• Scale up level 4	960	24.8mil	12.9mil	9.1	118mil
• Scale up level 5	1920	49.7mil	28.2mil	7.4	210mil

months +5mil already spent

Costs additional machines unknown

Scenario base, 1, 2 = 4 staff
 Scenario 3 = 6 staff
 scenario 4 = 9 staff
 scenario 5 = 12 staff

Scenario base, 1, 2 = m29 in total, 4 rooms
Scenario 3 = m45 in total, 4 rooms
 scenario 4 = m67 in total, 4 rooms
 scenario 5 = m89 in total, 4 rooms

Return On Investment

Avg bottle price 1160, 22,3 days	Base scenario	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
ROI	-157,7	45,7	16,3	11,0	9,1	7,4
Number of bottles per day	81	120	240	480	960	1920
Bottles for KRH	81	81	81	81	81	81
Bottles for sale	0	39	159	399	879	1839
NETTO PROFIT PER MONTH	-TZS 133.633	TZS 532.139	TZS 2.580.665	TZS 5.923.719	TZS 12.986.825	TZS 28.244.039
<i>Revenu</i>	TZS 2.086.920	TZS 3.095.772	TZS 6.199.932	TZS 12.408.252	TZS 24.824.892	TZS 49.658.172
<i>Costs</i>	TZS 2.220.553	TZS 2.563.633	TZS 3.619.267	TZS 6.484.533	TZS 11.838.067	TZS 21.414.133
REVENUE PER MONTH	TZS 2.086.920	TZS 3.095.772	TZS 6.199.932	TZS 12.408.252	TZS 24.824.892	TZS 49.658.172
<i>Reduce purchasing fluids costs</i>	TZS 2.086.920	TZS 2.086.920	TZS 2.086.920	TZS 2.086.920	TZS 2.086.920	TZS 2.086.920
<i>Sales of fluids</i>	TZS 0	TZS 1.008.852	TZS 4.113.012	TZS 10.321.332	TZS 22.737.972	TZS 47.571.252
COSTS PER MONTH	TZS 2.220.553	TZS 2.563.633	TZS 3.619.267	TZS 6.484.533	TZS 11.838.067	TZS 21.414.133
<i>Ingredients</i>	TZS 712.553	TZS 1.055.633	TZS 2.111.267	TZS 4.222.533	TZS 8.445.067	TZS 16.890.133
<i>Staff</i>	TZS 1.508.000	TZS 1.508.000	TZS 1.508.000	TZS 2.262.000	TZS 3.393.000	TZS 4.524.000
INVESTMENT COSTS	TZS 21.074.000	TZS 24.322.500	TZS 42.067.500	TZS 65.038.500	TZS 118.319.500	TZS 210.220.500
<i>Machines and materials</i>	TZS 997.500	TZS 4.246.000	TZS 13.991.000	TZS 33.391.000	TZS 72.101.000	TZS 149.431.000
<i>Build the rooms</i>	TZS 14.500.000	TZS 14.500.000	TZS 22.500.000	TZS 22.500.000	TZS 33.500.000	TZS 44.500.000
<i>Training of staff</i>	TZS 5.576.500	TZS 5.576.500	TZS 5.576.500	TZS 9.147.500	TZS 12.718.500	TZS 16.289.500

Costs additional machines,
from scenario 3 on, unknown

Main decisions

Operational questions

- Bottles: glass vs plastic (glass!)
- Costs additional machines
- Business ownership
- Customer contact and service

Decisions to take

- Is there enough sales potential for scenario 2(, 3 and 4)?
 - If yes for scenario 2 (sell 159 bottles per month), then advise is to proceed.
 - Start with health network of Diocese.
- Do we want to proceed?
If so, advise is to start at level 2 with own building with enough space to grow up to level 3 (or 4, depending on sales potential)
- Are we going to send 2 staff on training at end of January?
 - Training is required to start service. Training starts 1 time per year. Costs 5.8mil
- Location
 - Renovation vs new building. Advise is new building.
- Funding of the project
 - 5.4mil already spent; budget in program = 6.8mil; 1.4mil left
 - Investment cost scenario 2 without space for scenario 3 = 34mil
 - Investment cost scenario 2 with space for scenario 3 = 42mil