# Business plan

## Project E

XXXXX

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**XXXXX**

**Founder**

**Email:**

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# The Project E will be Botswana's first private psychiatric hospital focused on inpatient and outpatient clinical health care

## Market analysis

**Availability of mental health facilities**

| | Total number of facilities/ beds | Rate per 100,000 population | Number of facilities/beds reserved for children and adolescents only | Rate per 100,000 population |
|---|---|---|---|---|
| Mental health outpatient facilities | 17 | 0.86 | 1 | 0.05 |
| Day treatment facilities | UN | UN | UN | UN |
| Psychiatric beds in general hospitals | 99 | 5.01 | UN | UN |
| Community residential facilities | UN | UN | UN | UN |
| Beds places in community residential facilities | UN | UN | UN | UN |
| Mental hospitals | 2 | 0.10 | UN | UN |
| Beds in mental hospitals | 332 | 16.79 | UN | UN |

Source: Department of Mental Health and Substance Abuse, World Health Organization

## Business idea

- The Project E will be Botswana's first private psychiatric hospital focused on inpatient and outpatient clinical health care.
- Project E is part of the Institute Z, which also include education and research segments.
- **Price:** medium
- **Geographical focus:** Botswana
- **Target end-customers:** people in need of mental and general medical health care and support
- **Founder:** XXXXX

## Goals

- To become a major provider of mental health care in Botswana and, eventually, other countries as well
- To increase number of beds in the hospital from 20 to 100 over the next 10 years
- 600 inpatient admissions in year 1
- To complete construction of the hospital building in year 5
- To become a teaching affiliate for government agencies and private health care institutions
- To participate in non-profit programs/projects (including school wellness programs) that aim to increase early detection of mental health
- To act as a clinical training base for education and research segments of Institute Z
- To achieve gross revenue - $11,9m in year 7

## Strengths

- Attractive location of the hospital in an area with substantial need for such a facility
- Synergistic effect: hospital, education and research facilities in one place
- High-quality but affordably priced solutions
- Innovative marketing approach
- Experienced management team
- Founder substantial industry contact network will help to make the business successful extremely quickly

**The Company is seeking an investment of $9m, mainly to finance CAPEX and the working capital during the first 12 months of operations**

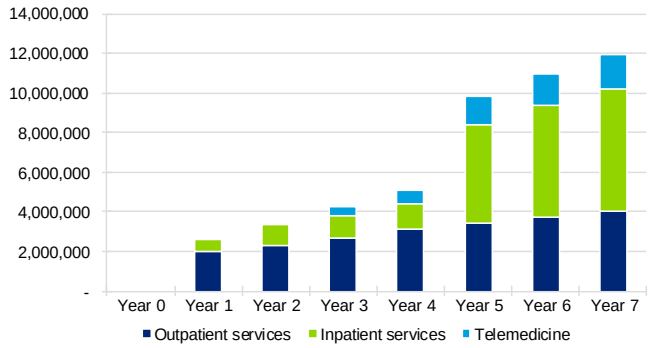
# Financials

### Projected Profit and Loss account

| $ | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
|---|---|---|---|---|---|---|---|
| **Revenue** | 2,573,250 | 3,322,843 | 4,226,140 | 5,109,335 | 9,805,745 | 10,941,925 | 11,926,699 |
| **Operating expenses** | (1,420,463) | (1,656,430) | (2,256,136) | (2,527,312) | (3,388,579) | (4,548,960) | (6,112,912) |
| **Net profit/(loss)** | 816,159 | 1,216,788 | 1,453,588 | 1,930,963 | 4,298,375 | 4,279,499 | 3,827,739 |

Source management information

### Revenue structure, %




Source: Management information

# KPIs

### Key performance indicators

| | |
|---|---|
| CF (1-7 years), $ | 12,223,112 |
| NPV (1-7 years)*, $ | 949,696 |
| IRR, % | 4% |
| Payback period | 6.5 years |

*Discounted rate 3%

Source: Management information

# Initial investments

### Initial investments, $

| Item | Amount |
|---|---|
| **CAPEX** | |
| Transport | |
| Ambulance | 50,000 |
| Hospital Vehicles | 100,000 |
| Construction of the building | |
| Construction works (prefabricated modular building) | 400,000 |
| Electricals and plumbing | 70,000 |
| Other | 25,000 |
| Medical equipment | 75,000 |
| Equipment and furniture | 25,000 |
| Construction of permanent brick structures in year 3-5 | 8,000,000 |
| **Working capital** | 300,000 |
| **Total** | **9,045,000** |

Source management information

# Globally, one in four people will experience psychological distress and meet criteria for a diagnosable mental disorder at some point in their lives (WHO)

## General overview

- For years, the global burden of mental disorders on individuals, families, communities and health services has been considerably underestimated. Resources for mental, neurological, and substance use disorders have been slow in development, insufficient, constrained, fragmented, inequitably distributed, and ineffectively implemented. While mental and neurological disorders comprise only 1% of deaths worldwide, they account for 8–28% of the disease burden, with the majority of these disorders occurring in low- to middle-income countries.

## Mental Health: An International Problem

- Most mental disorders are highly prevalent in all societies, remain largely undetected and untreated, and result in a substantial burden to families and communities. Although many mental disorders can be mitigated or are avoidable, and though they continue to produce significant economic and social hardship, they continue to be overlooked by the international community. Moreover, in all countries there is an enormous gap between the prevalence of mental disorders and the number of people receiving care.
- In less-developed countries, more than 75% of persons with serious mental disorders do not receive treatment. Unfortunately, psychiatry's best efforts at training physicians to provide mental health care within the global context are proving too small to contain the global problem.
- For too long, the focus has been on medicine and not on local communities (Patel, 2013). In fact, every person's health care is local (Unützer, 2013). The major issue with the current provision of care is, therefore, the limited size and training of the community health care workforce (Becker & Kleinman, 2013).
- Globally, one in four people will experience psychological distress and meet criteria for a diagnosable mental disorder at some point in their lives (WHO). This ominous data speaks to the need for accessible, effective and socially equitable mental health care (Hinkle & Saxena). WHO estimates that more than 450 million people worldwide live with mental health problems; these numbers are no doubt bleak.
- More specifically, WHO estimates that, globally, more than 154 million people suffer from depression, 100 million are affected by alcohol use disorders, 25 million have schizophrenia, 15 million abuse drugs, and nearly one million people commit suicide each year (Saraceno et al.).
- Depending on the source, unipolar depression has been estimated to be in the top four causes of loss of disability-adjusted life years across the six socially diverse continents (Murray & López; Vos et al., 2012).
- Furthermore, it has been estimated that as many as 25% of all primary care consultations have a mental health component (Goldberg & Huxley; Warner & Ford; WHO). Mental disorders are related to a range of problems, from poverty, marginalization, and social disadvantage, to relationship issues such as divorce, physical conditions such as heart disease, reductions in economic productivity, and interruption of child and adolescent educational processes (see Alonso, Chatterji, He, & Kessler, 2013; Breslau et al., 2013).
- At the developmental level, at least 10% of children are considered to have mental health problems, but pediatricians and general medical practitioners are not typically equipped to provide effective treatment (Craft). With mental disorders contributing to an average of 20% of disabilities at the societal level, the evidence is clear that these disorders pose a major global health challenge (Alonso, Chatterji, et al., 2013; Alonso, Petukhova, et al., 2013). Moreover, the associated economic burden exceeds that of the top four non-communicable diseases (i.e., diabetes, cardiovascular, respiratory and cancer; Bloom et al., 2011).

## About 35–50% of mental health cases in developed countries and approximately 75–85% in less-developed countries have received no treatment in the 12 months preceding a clinical interview

- Most international mental health systems are dominated by custodial psychiatric hospitals (WHO).

### Global Community Mental Health

- Serious mental disorders are generally associated with substantial role disability within the community. About 35–50% of mental health cases in developed countries and approximately 75–85% in less-developed countries have received no treatment in the 12 months preceding a clinical interview. Due to the high prevalence of mild and sub-threshold cases, the number of untreated cases is estimated to be even larger. These milder cases, which can be found in communities all over the world, require careful consideration because those with untreated, mild cases of mental illness are far more vulnerable to cases of severe mental illness (WHO, 2010a, 2010b; WHO World Mental Health Survey Consortium).
- It is important to note that in most low- to middle-income countries, community workers are often the people's first line of contact with the health care system (Anand & Bärnighausen, 2004; Hongoro & McPake, 2004). However, there is a long history of issues with the sustainability of community programs (Walt, 1988). There is a pronounced lack of community service providers with the necessary competencies to address mental health needs, which remains the most significant barrier to the provision of mental health services. Although human resources are the crucial core of health systems, they have been a neglected developmental component (Hongoro & McPake, 2004), particularly in the field of mental health. WHO's "Mental Health Atlas" specifies a critical global shortage of mental health professionals (e.g., psychiatrists, psychiatric nurses, psychologists, social workers, neurologists).
- Similarly, an informal international survey of clinical mental health, school, and career and work counselors by NBCC-I indicated that the professional counselor workforce has yet to be adequately identified on a global scale (Hinkle, 2010b). Moreover, extant mental health services are inequitably distributed; lower-income countries, where behavioral risk factors tend to cluster among people of lower socioeconomic status, have significantly fewer mental health human resources than higher-income countries (Coups, Gaba, & Orleans; WHO; WHO World Mental Health Survey Consortium).
- In low- to middle-income countries, human resources are clearly limited, and the quality and productivity of the existing workforce is often challenged. Investment in human resources for community mental health care is insufficient in absolute terms as well as in distribution (Hongoro & McPake).
- For instance, the global average for physicians is 170 per 100,000 people, but in Nepal and Papua New Guinea there have been as few as five doctors per 100,000 (WHO,).
- In 2009, approximately 36% of doctors' posts and 18% of nurses' posts were unfilled around the world (Bach). Moreover, general practitioners are not typically adept at providing mental health care, including detection, referral and management of mental disorders (Chisholm et al.). Therefore, partnerships between formal primary and informal community health care systems need to be more prevalent, effective and integrated.
- Because psychiatric hospital beds are extremely limited, the demand for mental health services within communities becomes even more critical (Forchuk, Martin, Chan, & Jensen). Furthermore, early detection and treatment of mental disorders and co-occurring emotional and behavioral problems not only decreases the chance of lower physical health later in life, but also associated costly hospitalizations.

# Mental health and mental hospital expenditures by the government health department/ministry in Botswana are less than what is needed to grapple with the issue

## General information about Botswana

- Botswana is a country with an approximate area of 582 thousand square kilometers (UNO). The population is 1,977,569 and the sex ratio (men per hundred women) is 102 (UNO). The proportion of the population under the age of 18 years is 39% and the proportion above age 60 is 4% (UNO). The literacy rate is 94% for men and 96% for women (UN Statistics). The life expectancy at birth is 54 years for males and 53 years for females (UNO). The healthy life expectancy at birth is 49 years for males and 53 years for females (UNPD). The country is in the upper-middle income group. The total expenditure on health as a percentage of gross domestic product is 10.25% and the per capita government expenditure on health (PPP int. $) is $624 (WHO). In Botswana, neuropsychiatric disorders are estimated to contribute to 4.6% of the global burden of disease (WHO).

## Governance

- An officially approved mental health policy exists, which was revised and approved relatively recently (in 2003). Mental health is also specifically mentioned in Botswana's general health policy guidelines.
- A mental health plan exists and was approved or most recently revised in 1997. The mental health plan components include:
    - Funding allocation for the implementation of half or more of the items in the mental health plan.
    - Shift of services and resources from mental hospitals to community mental health facilities.
    - Integration of mental health services into primary care.
- Dedicated mental health legislation exists and was initiated, or most recently revised, in 1971. Legal provisions concerning mental health are also covered in other laws (e.g. welfare, disability, general health legislation etc.).

## Financing

- Though steps are being taken to address mental health issues in Botswana, mental health and mental hospital expenditures by the government health department/ministry are less than what is needed to grapple with the issue.

## Mental health care delivery

### Primary Care

- Prescription regulations authorize primary health care doctors to prescribe and/or to continue prescription of psychotherapeutic medicines but with restrictions. Similarly, the department of health authorizes primary health care nurses to prescribe and/or to continue prescription of psychotherapeutic medicines but with restrictions.

# Statistics – mental health services in Botswana

- Official policy also enables primary health care nurses to independently diagnose and treat mental disorders within the primary care system.
- Officially approved manuals on the management and treatment of mental disorders are available in most primary health care clinics. Official referral procedures for referring persons from primary care to secondary/tertiary care exist, as do referral procedures from tertiary/secondary care to primary care.

## Mental Health Services

### Availability of mental health facilities

| | Total number of facilities/ beds | Rate per 100,000 population | Number of facilities/beds reserved for children and adolescents only | Rate per 100,000 population |
|---|---|---|---|---|
| Mental health outpatient facilities | 17 | 0.86 | 1 | 0.05 |
| Day treatment facilities | UN | UN | UN | UN |
| Psychiatric beds in general hospitals | 99 | 5.01 | UN | UN |
| Community residential facilities | UN | UN | UN | UN |
| Beds places in community residential facilities | UN | UN | UN | UN |
| Mental hospitals | 2 | 0.10 | UN | UN |
| Beds in mental hospitals | 332 | 16.79 | UN | UN |

Source: Department of Mental Health and Substance Abuse, World Health Organization

### Access to care

| | Rates per 100,000 population) |
|---|---|
| Persons treated in mental health outpatient facilities | 541.93 |
| Persons treated in mental health day treatment facilities | UN |
| Admissions to psychiatric beds in general hospitals | UN |
| Persons staying in community residential facilities at the end of the year | UN |
| Admissions to mental hospitals | 93.04 |

Source: Department of Mental Health and Substance Abuse, World Health Organization

UN = information unavailable, NA = item not applicable

### Human resources

### Workforce and training

| | Health professionals working in the mental health sector Rate per 100.000 | Training of health professions in educational institutions Rate per 100.000 |
|---|---|---|
| Psychiatrists | 0.25 | 0.0 |
| Medical doctors, not specialized in psychiatry | 0.51 | 0.0 |
| Nurses | 4.05 | 18.05 |
| Psychologists | 1.52 | 1.52 |
| Social workers | 0.35 | UN |
| Occupational therapists | 1.82 | 1.82 |
| Other health workers | 2.38 | NA |

Source: Department of Mental Health and Substance Abuse, World Health Organization

### Information Systems

| | Data on number of people/ activities are collected and reported | Data on age and gender are collected and reported | Data on patient's diagnosis are collected and reported |
|---|---|---|---|
| Persons with mental disorders treated in primary health care | Yes | Yes | Yes |
| Interventions (psychopharmacological and psychosocial) delivered in primary health care for people with mental disorder | Yes | Yes | Yes |
| Persons treated in mental health outpatient facilities | Yes | Yes | Yes |
| Contacts in mental health outpatient facilities | Yes | Yes | Yes |
| Persons treated in mental health day treatment facilities | Yes | Yes | Yes |
| Admissions in general hospitals with psychiatric beds | Yes | Yes | Yes |
| Admissions in mental hospitals | Yes | Yes | Yes |
| Days spent in mental hospitals | Yes | Yes | Yes |
| Admissions in community residential facilities | Yes | Yes | Yes |

Source: Department of Mental Health and Substance Abuse, World Health Organization

# As opposed to neighboring South Africa, Botswana does not have a long history of psychology as a profession

## Psychology and its status in Botswana

- As opposed to neighboring South Africa, Botswana does not have a long history of psychology as a profession. Psychology is a relatively new discipline in Botswana; therefore, there is little published literature. Botswana has very few practicing psychologists or registered counselors. Those who practice in Botswana were trained either overseas or in the neighboring countries, such as South Africa and Zambia. In addition, those who are trained in psychology find employment mostly in the areas of lecturing, human resources, or other work not directly related to their areas of clinical training.
- In Botswana, psychologists are required to register with the Botswana Health Professions Council (BHPC). Currently, the Botswana Health Professions Council (BHPC) Act only recognizes and registers clinical psychologists and is silent about other categories (Botswana Health Professions Chapter 61:02). This indicates that there is an information gap in terms of an understanding of the scope of psychology as a profession in Botswana.
- There have, however, been efforts to bring psychologists together to speak with one voice to address issues of credentialing and ethics and lobby for the recognition of psychology as a profession.
- After periodic efforts, the Psychological Association of Botswana (PAB) was formed in 2005 and was registered as an association in 2007 (Psychological Association of Botswana Handbook).
- Unfortunately, the association does not have any powers to regulate and protect the practice of psychology or the provision of psychological services.

## Psychological services in Botswana

•Botswana is grappling with a host of issues, including social, psychological, and behavioral problems, HIV/AIDS, and the need for psychological assessment in the workplace. These issues may have a direct impact on Botswana's economic and social development if they are not handled professionally. in an attempt to address these issues, the Botswana government introduced and effected health and social welfare structures that provide counseling, psychological assessment and HIV/AIDS voluntary counseling and testing services (VCT). They further stated that the impact of these structures has been inhibited, either by a lack of awareness of such services by the public or underutilization of the services by primary health care providers. The ability of a nation or community to withstand social crises or serious conflicts is directly related to the quality of health, as well as the psychological wellbeing, of the nation.

•Psychological services that do exist in Botswana are provided through health and welfare structures and the education sector. Other psychological services that exist belong to non-governmental organisations and agencies (Directory of Counseling Services in Botswana), religious organizations, traditional doctors and family members also play a major role in rural areas. On the next slide is a table from the Directory of Counseling Services in Botswana, indicating some of the government institutions and non governmental organizations that offer psychological services.

•In an attempt to offer psychological services at health centers, government policymakers have introduced psychological services at the primary health care level. Clinical psychologists are attached to Botswana's three main referral hospitals, namely Marina and Nyangabwe Referral Hospitals and Lobatse Mental Hospital (Ministry of Health). Psychological services at community health centers are often offered by medical doctors, nurses and social workers who do not have the relevant training in psychological intervention skills.

## Psychological services that do exist in Botswana are provided through health and welfare structures and the education sector

- Though these professionals make valiant efforts to provide psychological services, many of them have not been give the tools or resources they need to understand the diverse causes of psychological problems and, therefore, they often lack the expertise to offer effective psychological intervention.
- In the nation's schools, the guidance and counseling division in the Ministry of Education is charged with the responsibility of providing psychological services in Botswana's schools, from pre-primary schools to tertiary institutions. Psychological services are offered, which include training teachers how to guide and counsel their students while adhering to the ethical principles of counseling. They provide counseling to individuals and groups on a wide range of issues.
- As psychology as a profession is a relatively new discipline in Botswana, this may result in the role of a psychologist in the health care setting and the community in general being unclear. The fact that social workers, counselors and guidance and counseling teachers are charged with the responsibility of offering psychological services, and therefore function as psychologists, adds to the misconception regarding the roles of these professionals.
- Botswana has outlined a longer-term vision, which they hope to achieve by 2016, including the goal of building a compassionate, just and caring nation that addresses the need to strengthen the health care system and to ensure that Botswana is a healthy nation so that its citizens can contribute meaningfully to the country's development (Long-Term Vision for Botswana). This requires a coordinated program of health promotion and disease prevention services, as well as a functioning primary health system and the provision of high-quality health services to those who require secondary and tertiary care (Long-Term Vision for Botswana.

### Psychological service offered in Botswana

| City | Institution | Counselling services offered |
|---|---|---|
| Francistow n | Peer Approach to Counselling by Teens | Equip youth w ith social skills and relationship management |
| Francistow n | Young Women's Christian Association (YWCA) | Youth counseling and peer pressure management skills |
| Francistow n | Red Cross Blood Donation Programme | Pre-and-post-blood donation counselling to blood donors |
| Francistow n | Tebelopele Voluntary Counselling and HIV Testing Centre | Pre-and-post counselling for HIV testing Counselling services to individuals directly or indirectly affected by HIV/AIDS |
| Gaborone | 3ana Consultancy (BANACO) | Pre-and-post information and assistance to professionals w orking w ith children and their families |
| Gaborone | Botsw ana Family Welfare Association (BOFWA) | Advocate and provide information and education oc human grow th, reproduction and sexual development Advice on pre-mantal and mantal counselling, family and couple counselling |
| Gaborone | Careers and Counselling Centre. University of Botsw ana | Career assessment and counselling |
| Gaborone | Coping Centre for People Living w itt HIV/ AIDS | Counselling services to people living w ith HIV AIDS |
| Gaborone | Holy Cross Hospcce | Facilitate and strengthen support groups of people living w ith HIV AIDS |
| Gaborone | Tinsanyo Catholic Commission | Behavioural change based on Christian teaching. Provide care and counselling services to individuals living w ith HIV. AIDS and orphans |
| Gaborone | Tshepong C ounselling Netw ork | Psychocherapeutic interventions |
| Gaborone | Guidance and Counselling Division. Curriculum Development and Evaluation | Career counselling Job placemen and skills training |
| Gaborone | Tebelopele Voluntary Counselling and HIV Testing Centre | Pre-and-post counselling for HIV testing Counselling services to individuals directly or indirectly affected by HIV/AIDS |

## Currently, two health care systems run concurrently in Botswana, one western and the other a more traditional form of health care

- Some of the ways to enhance realization of the health-promotion goals of vision 2016 is to explore the awareness of psychological services within the health care system, to assess the attitudes of health care providers towards psychology and to explore their referral practices with regard to psychological problems. According to Vogelman, the important ingredients for achieving appropriate service delivery include a multi-disciplinary team approach, preventative interventions and the appropriate use of health professionals.

### Primary Health Care in Botswana

- In most nations, health care is seen as a basic need. When it was granted its independence in 1966, Botswana inherited a largely curative, hospital-based health care system, which left the majority of the population without access to any services.
- In 1973 – 78 a network of basic health facilities was gradually established throughout the country with the aid of the Norwegian Agency for Development Co-operation (NORAD) and the United Nations International Children's Emergency Fund (UNICEF) (A Manual of Health Services, 1992).
- In 1975, a separate Ministry of Health was established, which was charged with improving the health (both physical and mental) of the nation. The Ministry of Health then adopted the fifth National Development Plan (NDP 5) policy on Primary Health Care (PHC), which emphasized that the primary health care services provided must be appropriate, affordable to both people and the government and must also be easily accessible (Manual of Health Care Services). During the National Development Plan 6 (NDP 6) in 1985-1991, the policy again focused on Primary Health Care (PHC) and the aim was to integrate preventive, promotive, rehabilitative and appropriate curative services through the participation of community groups at all levels of national health care.
- The National Development Plan 7 (NDP 7) of 1985 -1991 brought a shift towards an integrative approach where mental health forms an integral part of primary health care (Manual of Health Care Service).
- Currently, two health care systems run concurrently in Botswana, one western and the other a more traditional form of health care. Every Botswana citizen has access to both traditional health care and western health care. The selection of which health care system to seek is influenced by the beliefs, customs and values of the people. The western health care inherited at independence in 1996, as previously stated, was largely curative hospital-based care and most Batswana did not have access to the western health care systems (Mental Heath Action Plan, 1997). Seloilwe and Thupayagale (2007) explained that it is for these reasons that health care providers should take into cognizance the operations of these two systems and fully comprehend the belief systems of the people with whom they deal in order to accommodate both systems. This makes it possible for the users to gain access to both traditional and western forms of health care.
- The Botswana health care system is organized at different levels of sophistication and coverage. The lowest level is the outreach level, where health care may be provided at a mobile stopping point. The next level is the health post that consists of small structures staffed by a nurse and a family welfare educator. The next level is the clinic, which is staffed by a community nurse assisted by visits from the medical practitioner. The nurses at these clinics offer health service and educative health projects, as well as carrying out immunization programs. They are also charged with the responsibility of the provision of psychological services. The primary and district hospitals are the next level and they provide a range of services which includes a combination of curative and preventive services. These are staffed by medical practitioners and registered nurses, who mainly provide specialist services. The medical professionals also provide psychological services.

## Botswana has a population of 1.7 million people (Central Statistics Office), all of whom are served by one mental hospital located in the southern part of the country which serves as the referral hospital for the whole country

- At the apex of the service pyramid are three main referral hospitals. These are the Marina Referral Hospital in Gaborone and the Nyangabwe Referral Hospital in Francistown. These are staffed with medical doctors and nurses, who mainly provide specialist services. Psychosocial service is provided by social workers and clinical psychologists attached to these referral hospitals (Ministry of Health). The third referral hospital is the Lobatse Mental Referral Hospital. This will be briefly discussed below.

### Mental Health Care in Botswana

- Mental health care should be seen as a basic need within a nation because of its important contribution to the quality of life of every individual. The government of Botswana, with the help of non-governmental organizations, is committed to the improvement of the mental health status of the Botswana nation. Botswana has a population of 1.7 million people (Central Statistics Office), all of whom are served by one mental hospital located in the southern part of the country which serves as the referral hospital for the whole country (Mental Heath Action Plan).
- The Lobatse Mental Hospital was opened in 1944 and prior to that, persons with mental illnesses were treated in prison or at home by traditional practitioners. The Lobatse mental hospital cares for persons with a variety of mental illness, including those who are in need of custodial care, forensic patients, persons with developmental disabilities, persons with alcohol and drug problems and others who may be referred for mental status examinations (Mental Health Action Plan).
- Psychological services are provided by psychiatrists, psychiatric nurses, clinical psychologists and social workers.
- Given the size of the country and the needs of the population, there have been steps to decentralize mental health services, and already more than six community mental health clinics situated across the country are in operation, providing regular outreach services to those people who can be treated in the community.
- Evidently, private psychiatric care, let alone public psychiatric care, is greatly deficient and unavailable to the majority of people (even those who can afford it). This unarguably creates a burden of care on public services and offers very limited choices to mental health patients compared to general medicine where patients have fair choice between public and private medical services. Most patients are left with the option of traveling outside the country for private psychiatric care, which only adds to psycho-socio-economic cost and logistical challenges.
- The World Health Organisation (WHO) published a declaration which said that mental health care should form part of primary health care. The WHO Report stated that the integration of mental health care into the general health service, particularly at the primary health care level, has many advantages. including less stigmatization of patients, as mental and behavioral problems will be managed alongside physical health problems, and the improved detection of patients presenting with vague somatic complaints related to mental and behavioral problems.
- Integration has the potential to improve the treatment of mental health problems associated with physical factors (WHO). In response to this declaration, the Botswana government developed the National Health Policy on mental health to provide a framework for the incorporation of the objectives of mental health into a general health care system and the integration of mental health care services into the health care mainstream. The policy initiated community mental health care education and psychosocial skills for nurses based at community clinics, and the establishment of family support systems for mentally ill patients (Ministry of Health).

# Current Trends in Private Psychiatric Services and Emerging Trends in the Delivery of Mental Health Services

- Integration of Mental Health Services into the general health system is currently practiced in many countries in Sub-Saharan Africa. For example, in South Africa, the Mental Health Service exists within the health care system and has been a major component of the main institutional practice of curative care (Freeman).

## Emerging Trends in the Delivery of Mental Health Services

- Delivery of less stigmatised services made up of combined general medical and psychiatric services in the same facility (i.e. delivery of holistic care)
- Youth-friendly services to encourage early presentation of young people to mental health services
- Culturally sensitive services which is inclusive of different cultures and generations
- Family-oriented approaches to mental health problems
- Sensitive introduction of novel psychiatric treatments to promote treatment adherence.
- Delivery of evidence-based care and treatment in mental health care

## Results of survey

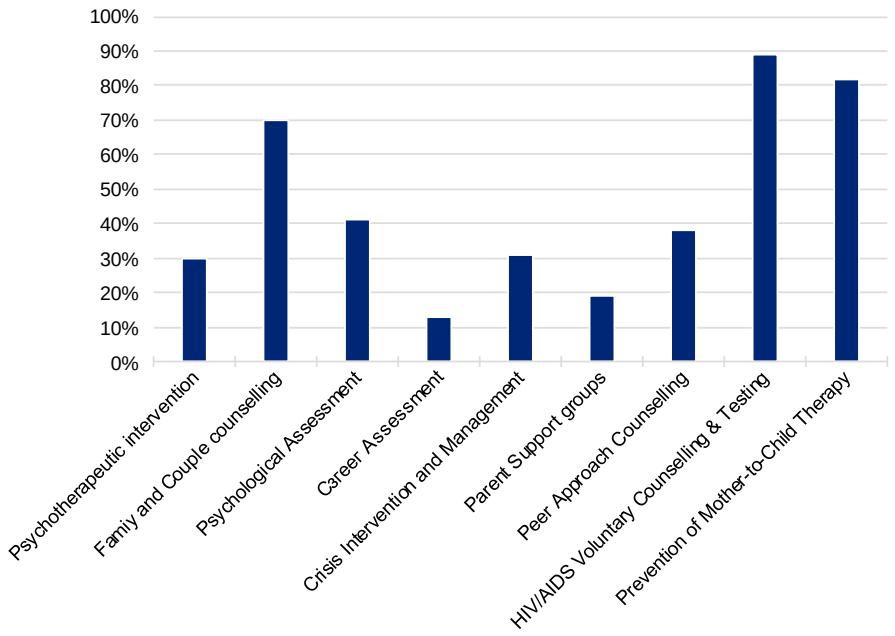
- There is global concern that psychosocial problems impact negatively on mankind. The government of Botswana introduced psychological services at national referral hospitals with the aim of addressing this concern. This was also one of the goals of Vision 2016, which emphasizes the need to strengthen Botswana's health care system
- (Long Term Vision for Botswana). However, there is concern that the impact of these structures is not significant. This has been attributed to a lack of public awareness of psychological services or the underutilization of these services by health care providers.
- There is ongoing concern regarding the effectiveness and accessibility of psychological services in Botswana. There is also an evident desire for and interest in referring psychological problems to psychological services. However, there is also a shortage of trained professionals to offer psychological services, and as a result, psychological problems are most frequently referred to social workers. Medical professionals are charged with the responsibility of psychological assessment and intervention, which could affect their capacity to attend to physical illnesses.

## Referral practices of psychological problems

| Psychological problem | Psychologist | Social worker | Church pastor | Traditional Healer |
|---|---|---|---|---|
| 1.Emotional problems | 33% | 67% | 10% | 2% |
| 2.Problems of anxiety and stress | 46% | 46% | 5% | 3% |
| 3.Psychological adjustment to physical illness | 51% | 38% | 2% | 0% |
| 4.Interpersonal and social problems | 5% | 84% | 5% | 0% |
| 5.Marital problems | 7% | 84% | 18% | 0% |
| 6.Educational and Occupational difficulties | 26% | 60% | 2% | 0% |
| 7.Drug and Substance abuse | 42% | 60% | 4% | 0% |
| 8.Rape | 33% | 58% | 0% | 0% |

## Survey results

### Availability of psychological services by type, %

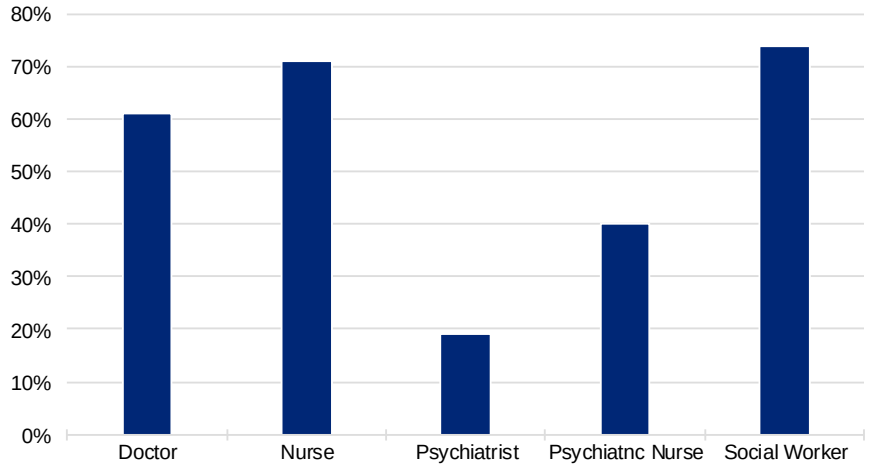



*Participants were given a list of psychological services and were asked to indicate the availability of those psychological services at their health care centres.*

### Participants' awareness of available psychological services

| Statement | Strongly Disagree | Disagree | Neutral | Agree | Strongly agree |
|---|---|---|---|---|---|
| 1. Psychological services available in your setting are adequate | 25% | 34% | 20% | 21% | 1% |
| 2. Psychological services are easily accessable to patients | 22% | 33% | 18% | 26% | 1% |
| 3. Psychological services which are available are effective | 12% | 19% | 29% | 32% | 8% |
| 4. If psychological services were readily available. I would refer to them | 4% | 1% | 4% | 27% | 63% |
| 5. Psychologists have little to offer in heath care centres | 65% | 16% | 6% | 8% | 6% |

### Provision of psychological service, %



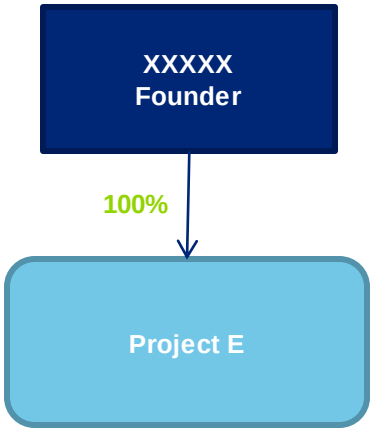

Psychology is a relatively new profession in Botswana, and the provision of psychological services in health care centers is not yet well established. The findings visualized here are a reflection of what is happening on the ground. In the absence of trained psychologists, psychological problems are attended to by medical professionals and social workers.

### The frequency of psychological problems

| Psychological Problems | Weekly | Monthly | Less often | Never |
|---|---|---|---|---|
| 1. Emotional problems | 66% | 11% | 18% | 5% |
| 2. Problems of anxiety and stress | 65% | 11% | 19% | 5% |
| 3.Psychological adjustment to physical illness | 40% | 15% | 33% | 13% |
| 4. Interpersonal and social problems | 55% | 27% | 13% | 5% |
| 5. Marital problems | 24% | 26% | 41% | 9% |
| 6. Educational and occupational problems | 13% | 15% | 45% | 28% |
| 7. Drug and substance abuse | 16% | 15% | 39% | 31% |
| 8. Rape | 11% | 10% | 38% | 41% |

# The Project E will be Botswana's first private psychiatric hospital focused on inpatient and outpatient mental health care

## Legal structure:




## Company profile:

- The Project E will be Botswana's first private psychiatric hospital focused on inpatient and outpatient clinical health care.
- Project E is part of the Institute Z, which also include education and research segments.
- **Price:** medium
- **Geographical focus:** Botswana
- **Target end-customers:** people in need of mental and general medical health care and support
- **Founder:** XXXXX

## The hospital will provide a full range of mental health services

### List of services

**Inpatient care:**

- 8 beds will be used for patients with addiction problems
- 12 beds will serve a range of mental health problems including mood disorders, anxiety disorders, psychotic disorders; personality and behavioural problems.

**Other services:**

- Outpatient services covering psychiatric care and general medical ambulatory services; emergency services.
- Pharmacy and dispensary;
- Laboratory services
- Emergency services
- Counselling services will be established
- Weight control clinic
- Youth mental health outreach programs

**Inpatient care services**

General Adult Psychiatric care
Subacute & Recovery services
Young people's Mental Health
Acute Drug, Alcohol and Addiction care & Rehabilitation
Specialist Mental Health Services for Old People
Medical Psychiatry Services
Neuroscience/Neuropsychiatry
Psycho-oncology Services

**Community Ambulatory Care Services**

Outpatient psychiatric services
Outpatient primary health care services
Outpatient monthly psychiatric clinics for Consultation services
Satellite Psychiatric services
Satellite Primary Health Care Services
Telepsychiatry Services for remote areas
Outpatient Allied Health Services
Outpatient Drug, Alcohol and Addiction services
Outpatient Forensic Consultations

**Diagnostics and Therapies**

Radiology services
Laboratory services
Electroconvulsive Therapy Suite
Pharmacy
Physiotherapy
Occupational Therapy
Psychosocial Therapies
Hydrotherapy
Weight Management Clinic
Youth Mental Health Outreach Programs
Suicide Prevention Services
Pain Management Services
Oral Health Services

## Detailed list of services

### Outpatient Unit

- Psychiatry Consulting Rooms x2
- General Practice Consulting Rooms x 2
- Nurse Practitioner x2
- Pharmacy
- Laboratory
- Radiology
- Medical Records
- Psychologist (x2)
- Social Worker
- Counsellor (x2)
- Pastoral Care
- Staff Room & Kitchenette
- Staff Lecture Hall
- Student Room
- Community Hall
- Incineration and Waste Management Facility
- Grounds & Water Department
- Electrical & Maintenance Department
- Allied Health Services
- Pain Management Clinic
- Weight Management Clinic
- Youth Services
- Suicide Prevention Services

### Inpatient Unit

20-bed inpatient ensuite unit
Nursing station
Nurses office
Nursing Manager's office
Psychiatrist's office
Visiting Psychiatrist's office
Senior Medical Officer's office
Medical officer's office
Staff Room & Kitchenette
Staff ablution (Male & female)
Medication Room
Main Kitchen
Patient's Kitchenette
Patient's Quiet room
Seclusion Room
Cleaners Room
Laundry
Consultation rooms (x2)
Treatment Room
Patient's common room
Activities room (x3)
Art Room
Wet Linen Room
Clean Linen Room
Store Room
Exercise Room
Hospital manager's Office
Finance office
Administration
Secretarial Services
IT Services

**The admission program will run in the form of a fixed 5 day program for observation, treatment and counselling followed by outpatient care; or a fixed 28 day inpatient care for support, psychotherapy and treatment followed by outpatient care.**

**The Project E will be located in Kgatleng district, a populous part of south eastern Botswana. The proposed location will be in a small village, Madikwe (River villages) – Mabalane, 60km from Gaborone, the capital city of the country**

## Location of RIPCNS

The Project E will be located in Kgatleng district, a populous part of south eastern Botswana. The proposed location will be in a small village, Madikwe (River villages) – Mabalane, 60km from Gabrone, the capital city of the country.

The location is away from crowded city conditions, offering a relaxed, natural environment for studying, as well as easy accessibility to the city and South Africa, where many Batswana often go for recreational relaxation.

## Neighbors:

- The Hospital will be part of the Institute Y. It will share a location with the education unit and the Ramaboko Research Institute.
- Such neighbors offers excellent opportunity for clinical exposure training for students. This is in addition to the 5 Government Community Clinics in the area, the main District Hospital, and the Deborah Retief Memorial Hospital only 40km away. Clinical guidance and training will be carried out in these facilities.

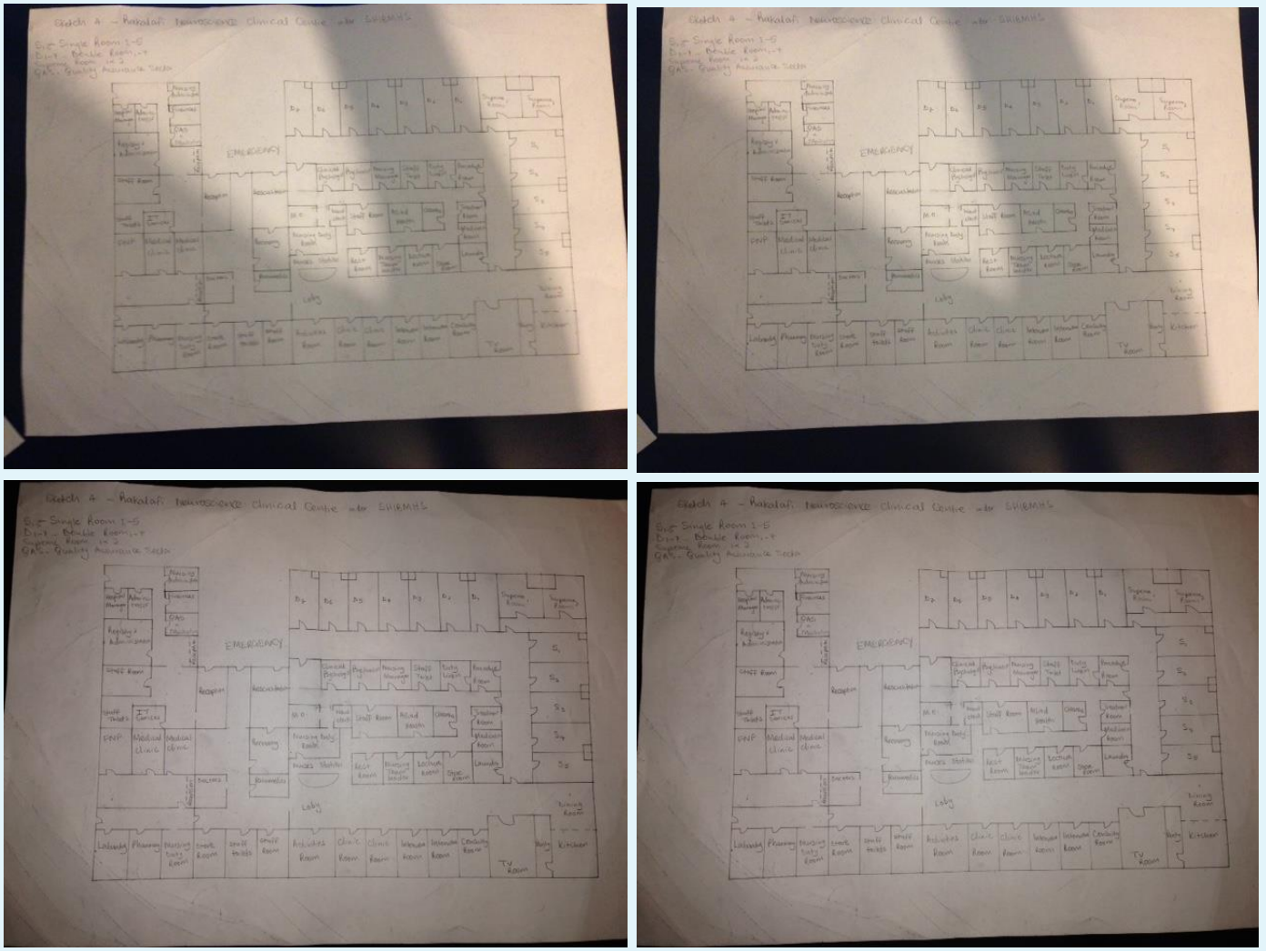
## Operating facilities:

The business will be developed in three phases:
•**Phase 0 (year 0).** Construction of the prefabricated modular building
•**Phase 1 (year 1-4).** Project E will use prefabricated modular building permanent college building is being constructed
•**Phase 2 (after year 4).** Project E will operate its newly constructed permanent facilities. Expected land size is 15 ha.

**Description of permanent hospital facilities**

The operating facilities will comprise a 100-bed unit, which will include the Youth Ward; Adult Ward; Geriatric Ward; Subacute Ward; Observation Unit; Medical Psychiatry ward; Neuroscience Ward; and a Drug and final Alcohol (Addiction) Wing. In addition, there will be a Minor Theatre and an Electroconvulsive Therapy Suite for psychiatric procedures. The facilities will also include two bedded shared rooms and single rooms with ensuites, dining facilities, common kitchenettes, relaxation rooms, activity rooms, counselling rooms, doctors' rooms, nurses' rooms and stations, staff facilities, medication and procedure rooms, as well as reception facilities for the wards. There will be outpatient clinics with consulting rooms, pharmacy and reception facilities. The administration block will comprise senior staff offices and all the necessary facilities such as ablutions, kitchens and secretarial facilities, and on the same block there will be security services. There will be sports facilities for staff, trainees and patients to promote recreational activities. There will also be a hydrotherapy pool. There will be a common restaurant, a garden, student and staff houses. There will be a power service area comprising solar panels and an electric power generator. There will also be a runoff water reservoir near the gardening facilities. The facility will run with approximately 350 staff, both professional and industrial.

## Hospital Ground



## Road map of business development

### Year 1

- 20-bed facility and outpatient services in leased premises
- Counselling – Psychological, Pastoral
- Drug and Alcohol Services plus counselling
- No acute admissions
- Special Clinics - Pain Management; Weight Management; Suicide Prevention

### Year 2

- Initiate three-year construction of permanent hospital building (eventually increasing number of beds to 100)
- Increase number of beds to 30 in year 2

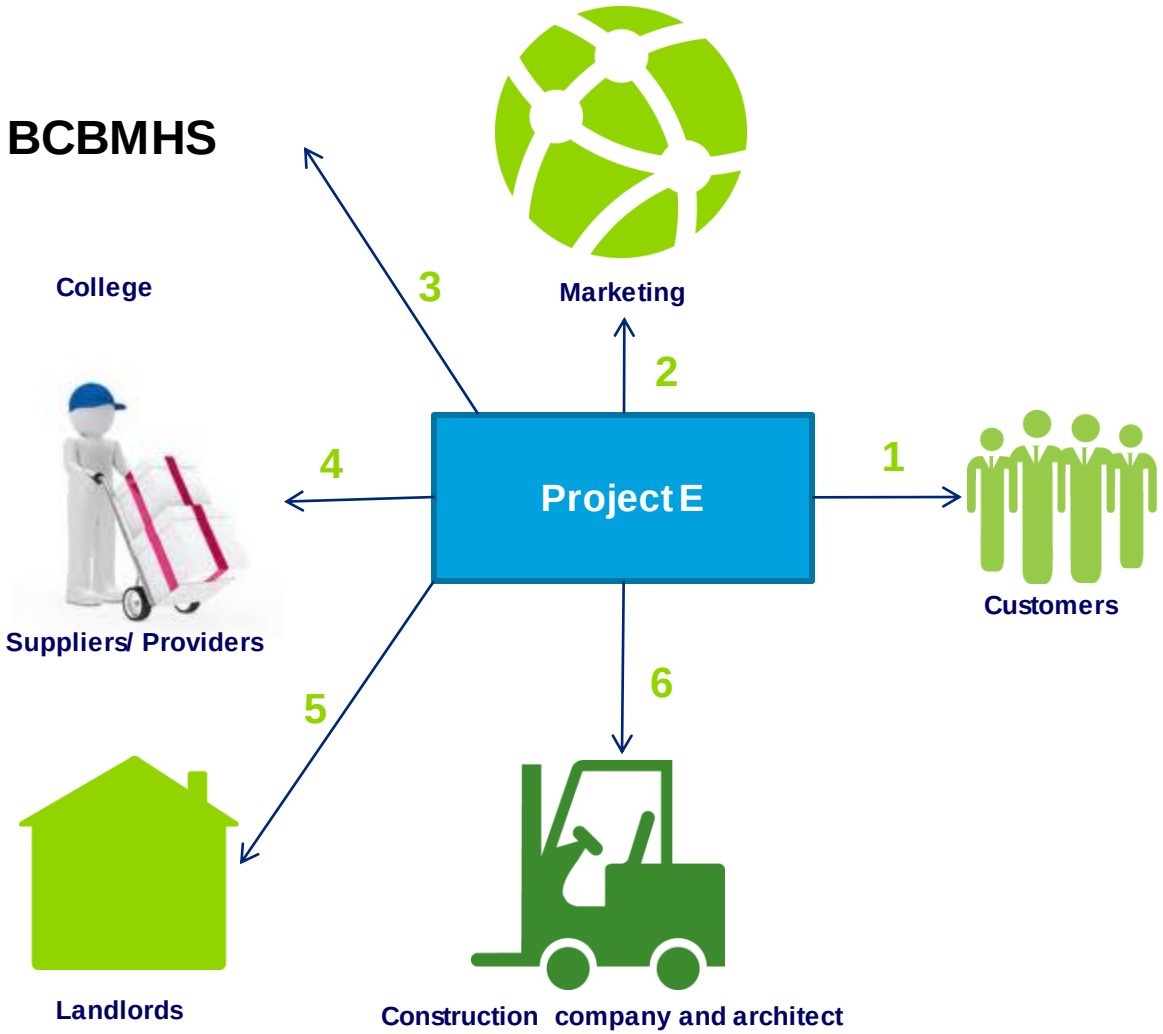
✓ 10 Adult Acute

✓ 10 Young People's Mental Health

✓ 10 Addictions & Drug and Alcohol Services

- Psychotherapy and Counselling
- Expansion of Drug and Alcohol & Addictions
- Acute admissions – No use of the Mental Health Act detentions

## Key operational flows




### Description

1. Customers of Project E will be people experiencing mental health problems and disorders ranging from children to the elderly with a focus on groups with high and middle income.
2. Marketing activity will be conducted in-house.
3. The Company will closely cooperate with BCBMHS, providing facilities to students for medical practice and training and attracting qualified medical staff to the hospital
4. The Company will regularly purchase the following items: furniture; medical equipment, etc.
5. The Company will lease land and operating facilities for the first 5 year of operations
6. The Company will hire a reliable construction company and architect to plan and construct a permanent hospital building by 2020.

## Paths to further development

### Paths of development:

- Organic growth – increase number of patients
- Geographical expansion into other regions of Botswana
- Service development through introduction of specialised psychiatric services; implementation of mobile clinics; Telepsychiatry and other remote services

### Exit strategy (7-10 years):

- Initial public offering in 5-7 years
- Sell the business to a strategic investor – one of the global leaders in the mental health care industry
- Merger with or acquisition by large African health care provider(s)

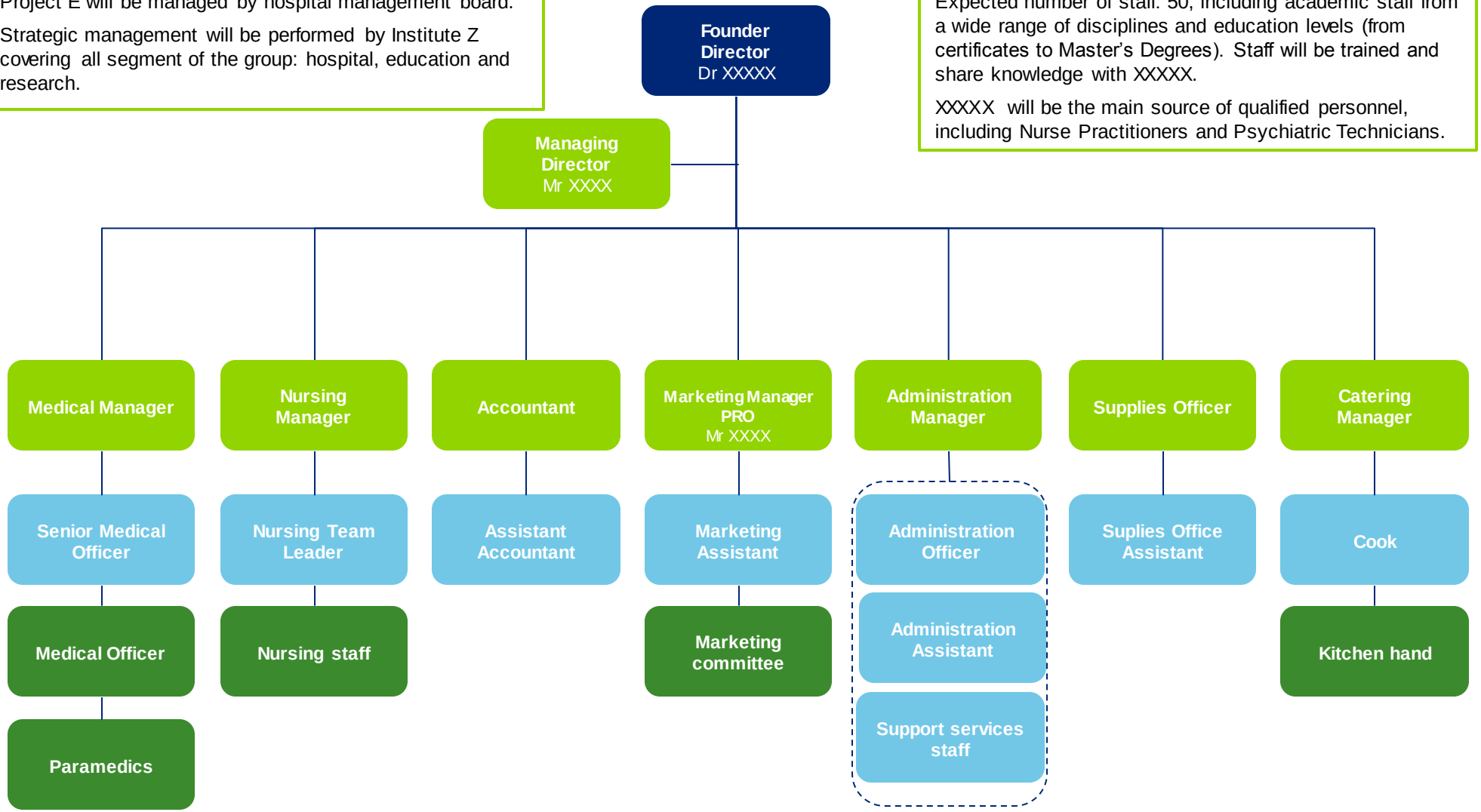
## Organizational structure

Project E will be managed by hospital management board.

Strategic management will be performed by Institute Z covering all segment of the group: hospital, education and research.

Expected number of staff: 50, including academic staff from a wide range of disciplines and education levels (from certificates to Master's Degrees). Staff will be trained and share knowledge with XXXXX.

XXXXX will be the main source of qualified personnel, including Nurse Practitioners and Psychiatric Technicians.



## Mission of the Company is to deliver holistic, high quality and competitive evidence based mental health, clinical neuroscience, and psychiatric care; and neuroscience research

### Mission

- To deliver holistic, high quality and competitive evidence based mental health, clinical neuroscience, and psychiatric care; and neuroscience research

### Core values

- Excellence
- Passion
- Leadership
- Quality

### Goals

- To become a major provider of mental health care in Botswana and, eventually, other countries as well
- To increase number of beds in the hospital from 20 to 10 over the next 10 years
- 600 inpatient admissions in year 1
- To complete construction of the hospital building in year 5
- To become a teaching affiliate for government agencies and private health care institutions
- To participate in non-profit programs/projects (including school wellness programs) that aim to increase early detection of mental health
- To act as a practical training base for education and research segments of Institute Z
- To achieve gross revenue - $11,9m in year 7
- To develop mobile clinics and telepsychiatry services
- Long-term, to expand the business by opening new hospitals in another locations
- Long-term, to develop the business in supplementary fields (e.g., Neuroscience/Neuropsychiatry, Research)
- Long-term, to introduce more specialised psychiatric services (e.g. Child and Adolescent; Geriatric Psychiatric Care; Forensic Services, etc.)

## Bring high-quality but affordably priced mental health services to the market

**Management summary - strategies/objectives** → **List of actions**

| | Management summary - strategies/objectives | List of actions |
|---|---|---|
| **Description:** | • Bring high-quality but affordably priced mental health services to the market<br>• To add value through close cooperation with education center XXXXX<br>• Use founder's industry experience and contacts to build strategic, productive relationships with partners<br>• To build facilities for modern hospital<br>• Build brand awareness<br>• Implement innovative marketing strategy<br>• Achieve synergistic effect throughout entire range of provided services<br>• Be cost-effective and efficient<br>• Service and geographical development<br>• Be socially responsible | • To get all necessary licenses to provide mental health services in Botswana<br>• To recruit qualified local and international staff<br>• To train staff in Project E using facilities of XXXXX on ongoing basis<br>• To hire reliable construction company, architect and service providers<br>• To cooperate with globally known hospitals, sharing knowledge and best practices<br>• To develop clinical programs<br>• To introduce new services, for example, telepsychiatry<br>• To develop loyalty programs to retain customers<br>• To improve processes continuously<br>• To initiate online and offline marketing campaigns<br>• To outsource non-core activities to avoid unnecessary costs |

## The Company is implementing a penetration strategy to pursue the objective of quantity maximization by means of a low price

**Pricing objectives**

- Quality leadership
- Maximize quantity
- Revenue maximization

**Pricing strategy**

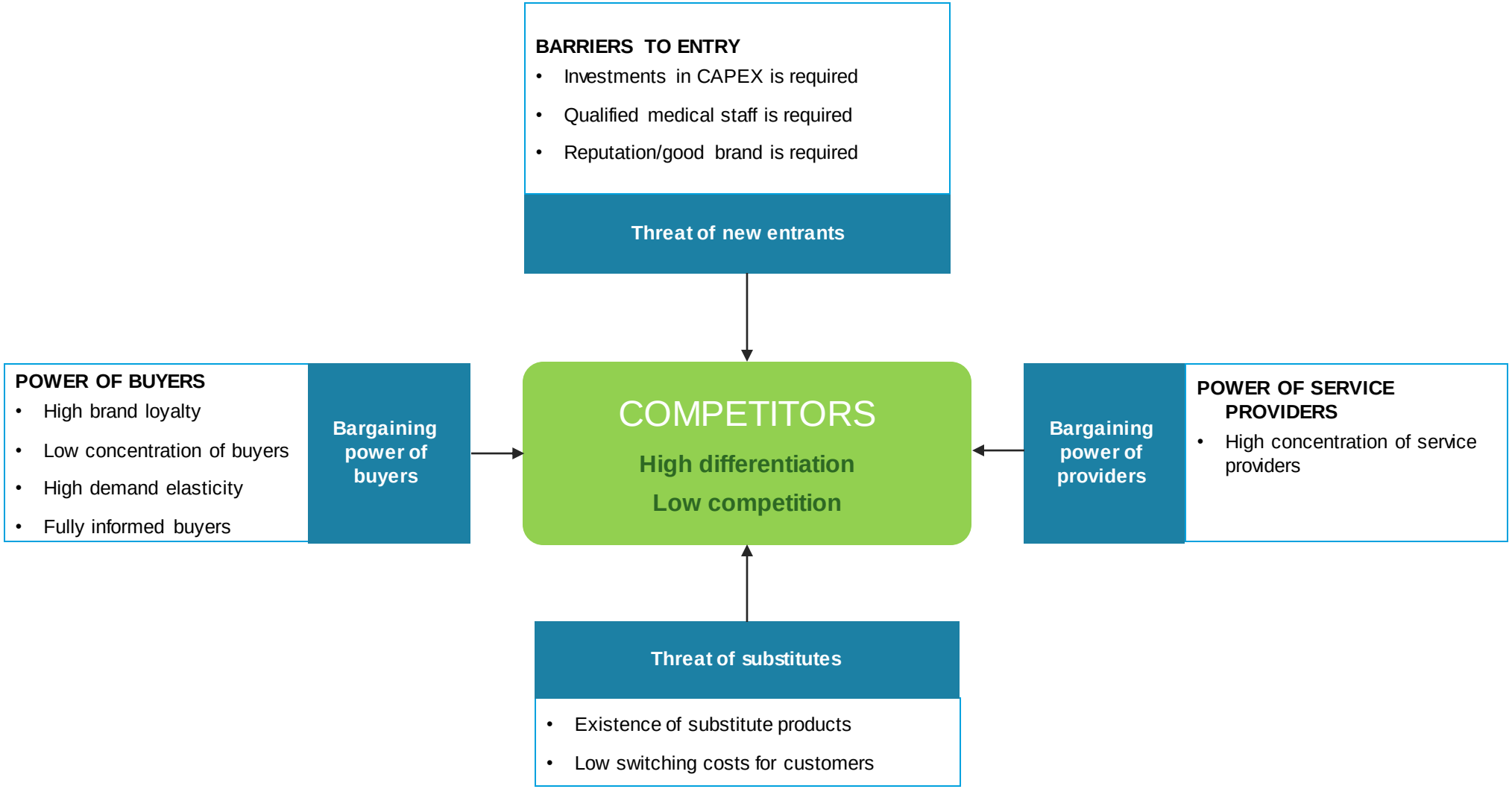
**Penetration strategy**

- Penetration strategy pursues the objective of quantity maximization by means of low price

**Price options**

- The Company will set prices slightly below those of market analogues

## Medium barriers exist to entry into the market of mental health services in Botswana



## Lack of mental health providers in Botswana creates tremendous opportunities for market entrants

### Strengths

- Attractive location of the hospital in an area with substantial need for such a facility
- Synergistic effect: hospital, education and research facilities in one place
- High-quality but affordably priced solutions
- Innovative marketing approach
- Experienced management team
- Founder substantial industry contact network will help to make the business successful extremely quickly

### Weaknesses

- Lack of brand awareness
- Start-up business
- Lack of financing

### Opportunities

- Botswana is one of the fastest-growing economies in the world
- Lack of mental health providers in Botswana
- High demand on mental health services in Botswana
- Available expensive solutions in South Africa create opportunities for private mental health hospitals in Botswana
- Further geographical/market development is available

### Threats

- Lack of qualified health care personnel in Botswana
- Availability of substitute services
- Price pressure will lead to further decrease in margins

## The main marketing objective of the Business is to develop and retain brand awareness associated with Project E

### Marketing Objectives

- To develop and retain brand awareness associated with Project E

### Marketing Strategy

**Differentiation**

- Competitive advantage can be gained through a focus on the way the Project E brand can differentiate itself from its competitors in terms of its:
  - Quality care
  - Fair price
  - Best practices

### Marketing Make-up

- **Product:** To position the service as solution, one that the market needs
- **Price:** Fair
- **Promotion:** Promotion will be through online and offline marketing methods
- **Place:** Botswana
- **People:** Experienced staff will need to be recruited

## Marketing tools

### Online/offline advertising advertising

#### Social Networks

- **Purpose:** Social media will be used primarily as a attraction tool to create a communication channel with potential clients, to highlight the latest news, mental health services, programs, campaigns.
- **Strategy:** Facebook fan pages, Twitter and blogs will be created with minimum of once-daily updates. This will have an added advantage of contributing to the overall SEO effort as well.
- **Keys to Success:** The keys to a successful social media launch include the following:
  - ✓ Successful and aggressive initial friending/following campaign
  - ✓ Ability to create compelling blog content
  - ✓ Ability to find time to interact with users via Twitter and Facebook
  - ✓ To launch display and video marketing campaign targeting relevant keywords to attract club-affiliated audience

### Traditional marketing tools (TV and Radio ads, advertising in printing media)

- **Purpose:** Leverage the allowance of advertising to attract clients at a competitive CPA.
- **Strategy:** Build marketing campaign based on communication with potential clients through advertising on local TV, Radio channels and printing newspapers like the Botswana Daily News; Mmegi Monitor; The Voice; Saturday Standards and The Advertiser.
- **Keys to Success**: The keys to success for a successful traditional marketing campaign will include the following:
  - ✓ Qualified/Well-trained marketing personnel
  - ✓ Proactive and creative marketing personnel
  - ✓ Availability of resources to implement traditional marketing tools

#### SEO

- **Purpose:** To secure top search engine placement in Google, Bing, Yahoo in order to drive site traffic to website of the Project E. SEO maximizes the visibility of the website via search engines.
- **Strategy:** A standard SEO strategy involving onsite optimization, link building and content generation will be employed. Selection of an outsourced SEO firm will be completed to manage this process.
- **Keys to Success:** The keys to a successful SEO launch include the following:
  - ✓ Selection of a budget-appropriate but also upfront and effective SEO firm
  - ✓ Focus on relevant keywords like “mental health services”

#### Google Adwords

- **Purpose:** To leverage the allowance of paid advertising on Google and to acquire direct leads at a competitive CPA for Project E
- **Strategy:** A standard AdWords strategy of identifying potential keywords and then whittling said keywords down to a profitable and manageable list, utilizing tests in ad copy. Landing page design and acquisition offer will be employed.
- **Keys to Success:** The keys to a successful Google AdWords launch include the following:

## Marketing tools

- ✓ Successful acceptance by Google
- ✓ Ability to quickly test and to respond to ad copy, landing page copy and acquisition offers
- ✓ Ability to track and to determine ROI and CPA of AdWords sign ups

### Offline industry marketing tools

- **Purpose:** Publishing content and advertising in online medical and mental health magazines and forums will enable Project E to reach a large audience of relevant readers with an interest in mental health services.
- **Strategy:** Build marketing campaign based on communication with potential clients.
- **Keys to Success**: The keys to a successful traditional marketing campaign include the following:
  - ✓ Qualified/well-trained marketing personnel
  - ✓ Proactive and creative marketing personnel
  - ✓ Available resources for the implementation of traditional marketing tools
  - ✓ Focus on relevant media resources

# Assumptions used in the model

## Assumptions used in the model

| | |
|---|---|
| **Outpatient services** | |
| Price per treatment, $ | 80 |
| Annual increase in price per treatment, % | 9% |
| Maximum number of clients per day | 90 |
| Utilization rate, % | 75% |
| Annual increase in utilization rate, % | 7% |
| **Inpatient services** | |
| Average price per day | 110 |
| Annual increase in price per day, % | 9% |
| Number of beds: | |
| year 1 | 20 |
| year 2 | 30 |
| year 3 | 30 |
| year 4 | 30 |
| year 5 | 100 |
| Utilization rate, % | 75% |
| Annual increase in utilization rate, % | 4% |

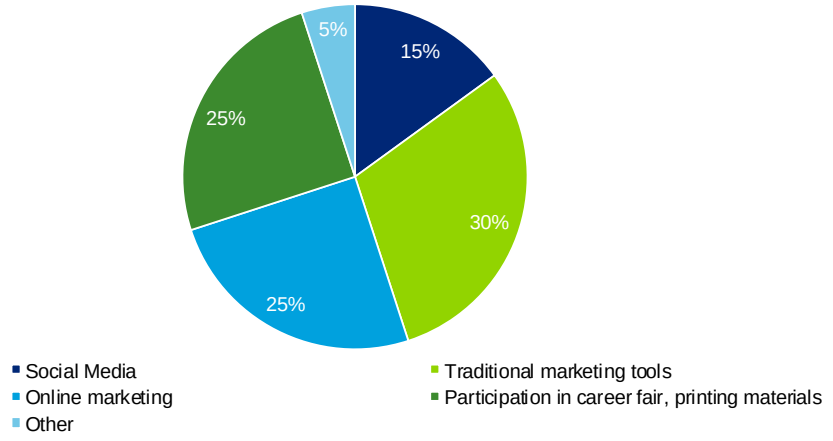
Source management information

## Assumptions used in the model - expenses

| | |
|---|---|
| Annual marketing costs, $ | 100,000 |
| Staff costs, $ | 606,000 |
| Other expenses, $ | 70,000 |
| Annual increase in marketing expenses, % | 35% |
| Annual increase in other expenses, % | 35% |
| Annual increase in staff costs in year 3 and 4, % | 10% |
| Annual increase in staff costs in year 5, % | 35% |

Source: Management information

## Structure of marketing expenses, %




Source: Management information

## Assumptions used in the model

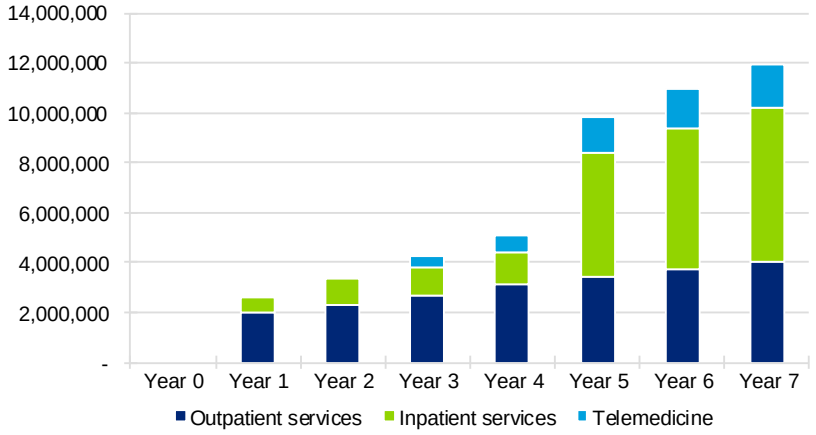
### Annual staff costs, $

| Position | Year 1 | | Year 2 | | Year 3 | |
|---|---|---|---|---|---|---|
| | # of staff | Annual salary, $ | # of staff | Annual salary, $ | # of staff | Annual salary, $ |
| Managing Director | 1 | 35,000 | 2 | 80,000 | 3 | 160,000 |
| Administrator | 1 | 10,000 | 1 | 15,000 | 1 | 15,000 |
| IT specialist | 1 | 12,000 | 1 | 13,000 | 2 | 40,000 |
| Accountant | 1 | 10,000 | 2 | 23,000 | 3 | 40,000 |
| Supplies officer | 1 | 10,000 | 1 | 12,000 | 2 | 28,000 |
| Psychiatrist | 2 | 28,000 | 2 | 28,000 | 3 | 42,000 |
| Medical Officer | 4 | 56,000 | 4 | 56,000 | 4 | 56,000 |
| Paramedics | 2 | 28,000 | 2 | 28,000 | 2 | 28,000 |
| Nursing Manager | 2 | 28,000 | 2 | 28,000 | 2 | 28,000 |
| Psychologist | 4 | 56,000 | 4 | 56,000 | 4 | 56,000 |
| Social Worker | 2 | 16,000 | 2 | 16,000 | 2 | 16,000 |
| Counsellor | 4 | 40,000 | 4 | 40,000 | 4 | 40,000 |
| Pastoral Counsellor | 2 | 20,000 | 2 | 24,000 | 2 | 24,000 |
| Nurses | 12 | 120,000 | 12 | 132,000 | 18 | 216,000 |
| Security officers | 3 | 27,000 | 3 | 27,000 | 3 | 27,000 |
| Auxiliary Staff | 4 | 36,000 | 4 | 40,000 | 4 | 48,000 |
| Cleaners | 4 | 32,000 | 4 | 40,000 | 4 | 50,000 |
| Groundsman | 1 | 8,000 | 1 | 8,000 | 1 | 8,000 |
| Administrative Assistant | 2 | 16,000 | 2 | 16,000 | 3 | 24,000 |
| Drivers | 2 | 18,000 | 2 | 18,000 | 2 | 18,000 |
| **Total** | **55** | **606,000** | **57** | **700,000** | **69** | **964,000** |

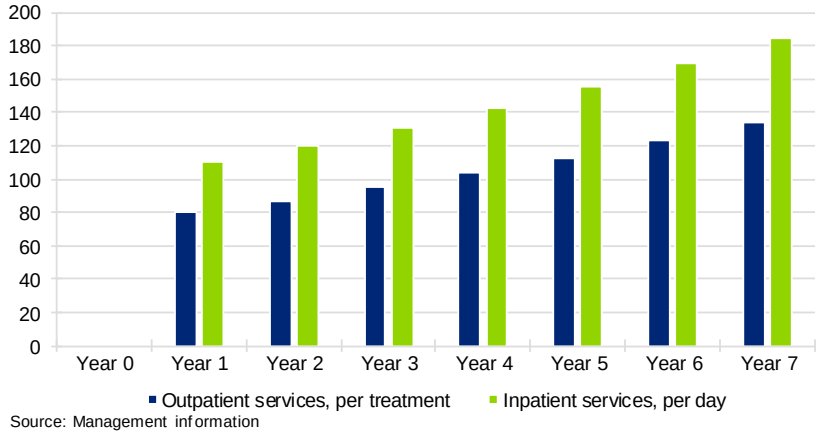
Source: Management information

# Sales

## Revenue structure, %

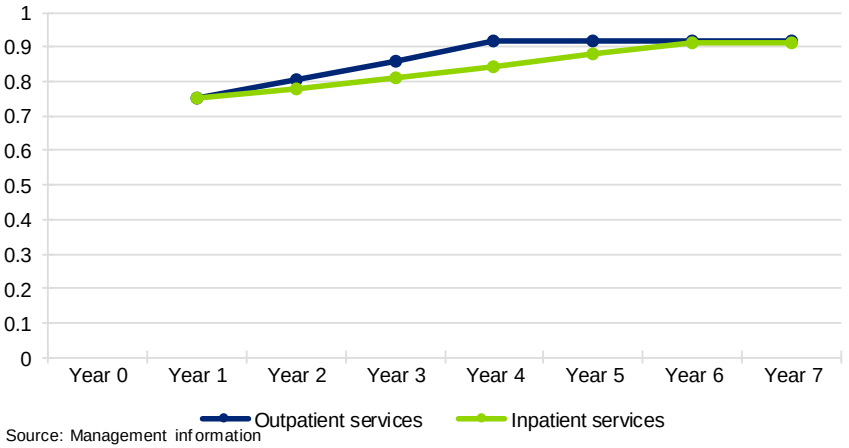



## Changes in average price per treatment, $



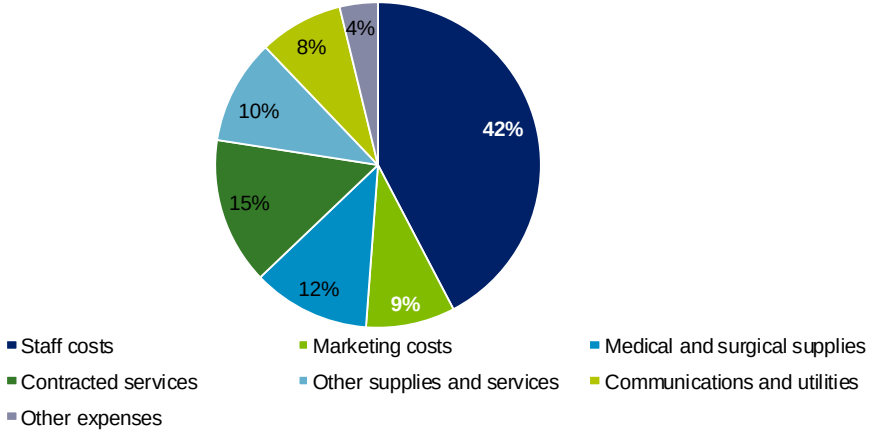

Source: Management information

## Utilization rate, %




Source: Management information

## Structure of operating expenses, %




Source: Management information

## Projected profit and loss account – the Company will become operationally profitable starting from year 1

**Projected Profit and Loss account**

| $ | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | - | 2,573,250 | 3,322,843 | 4,226,140 | 5,109,335 | 9,805,745 | 10,941,925 | 11,926,699 |
| **Operating expenses** | | | | | | | | |
| Staff costs | - | (606,000) | (700,000) | (964,000) | (1,060,400) | (1,431,540) | (1,932,579) | (2,608,982) |
| Marketing costs | - | (100,000) | (135,000) | (182,250) | (246,038) | (332,151) | (448,403) | (605,345) |
| Medical and surgical supplies | - | (167,356) | (193,316) | (266,223) | (292,846) | (395,342) | (533,711) | (720,510) |
| Contracted services | - | (208,734) | (241,112) | (332,046) | (365,251) | (493,089) | (665,670) | (898,654) |
| Other supplies and services | - | (149,096) | (172,223) | (237,176) | (260,893) | (352,206) | (475,478) | (641,896) |
| Communications and utilities | - | (119,277) | (137,779) | (189,741) | (208,715) | (281,765) | (380,383) | (513,517) |
| Other expenses | - | (70,000) | (77,000) | (84,700) | (93,170) | (102,487) | (112,736) | (124,009) |
| **Total operating expenses** | - | **(1,420,463)** | **(1,656,430)** | **(2,256,136)** | **(2,527,312)** | **(3,388,579)** | **(4,548,960)** | **(6,112,912)** |
| **EBITDA** | - | **1,152,787** | **1,666,413** | **1,970,003** | **2,582,022** | **6,417,166** | **6,392,965** | **5,813,787** |
| Deprecation | - | **(106,429)** | **(106,429)** | **(106,429)** | **(106,429)** | **(906,429)** | **(906,429)** | **(906,429)** |
| Income tax (22%) | - | **(230,199)** | **(343,197)** | **(409,986)** | **(544,631)** | **(1,212,362)** | **(1,207,038)** | **(1,079,619)** |
| **Net profit/(loss)** | - | **816,159** | **1,216,788** | **1,453,588** | **1,930,963** | **4,298,375** | **4,279,499** | **3,827,739** |
| *EBITDA margin, %* | | *32%* | *37%* | *34%* | *38%* | *44%* | *39%* | *32%* |

**Source management information**

## Payback period of the Business is 6.5 years

### Projected Cash Flows

| $ | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
|---|---|---|---|---|---|---|---|---|
| **Receipts & Disbursements** | | | | | | | | |
| **Beginning cash** | **9,045,000** | **8,300,000** | **9,222,588** | **7,879,138** | **6,772,488** | **6,143,213** | **11,348,017** | **16,533,944** |
| **Receipts** | 0 | 2,573,250 | 3,322,843 | 4,226,140 | 5,109,335 | 9,805,745 | 10,941,925 | 11,926,699 |
| **Disbursements** | | | | | | | | |
| | (745,000) | | | | | | | |
| Construction of prefabricated modular building | | - | - | - | - | - | - | - |
| Construction of permanent brick structures | - | - | (2,666,667) | (2,666,667) | (2,666,667) | - | - | - |
| Staff costs | - | (606,000) | (700,000) | (964,000) | (1,060,400) | (1,431,540) | (1,932,579) | (2,608,982) |
| Marketing costs | - | (100,000) | (135,000) | (182,250) | (246,038) | (332,151) | (448,403) | (605,345) |
| Medical and surgical supplies | - | (167,356) | (193,316) | (266,223) | (292,846) | (395,342) | (533,711) | (720,510) |
| Contracted services | - | (208,734) | (241,112) | (332,046) | (365,251) | (493,089) | (665,670) | (898,654) |
| Other supplies and services | - | (149,096) | (172,223) | (237,176) | (260,893) | (352,206) | (475,478) | (641,896) |
| Communications and utilities | - | (119,277) | (137,779) | (189,741) | (208,715) | (281,765) | (380,383) | (513,517) |
| Other expenses | - | (70,000) | (77,000) | (84,700) | (93,170) | (102,487) | (112,736) | (124,009) |
| Income tax (22%) | 0 | (230,199) | (343,197) | (409,986) | (544,631) | (1,212,362) | (1,207,038) | (1,079,619) |
| **Total Disbursements** | **(745,000)** | **(1,650,662)** | **(4,666,293)** | **(5,332,789)** | **(5,738,610)** | **(4,600,941)** | **(5,755,998)** | **(7,192,531)** |
| **Changes in Cash** | **(745,000)** | **922,588** | **(1,343,450)** | **(1,106,650)** | **(629,275)** | **5,204,803** | **5,185,927** | **4,734,168** |
| **Ending cash** | **8,300,000** | **9,222,588** | **7,879,138** | **6,772,488** | **6,143,213** | **11,348,017** | **16,533,944** | **21,268,112** |

**Source management information**

### Key performance indicators

| | |
|---|---|
| CF (1-7 years), $ | 12,223,112 |
| NPV (1-7 years)*, $ | 949,696 |
| IRR, % | 4% |
| Payback period | 6.5 years |

*Discounted rate 3%

Source: Management information

## Management team

### XXXXX

**Position:** Founder director

**Address:**

**Phone #:**

**Email:**

**Education:**

- XXXXX
- XXXXX
- XXXXX
- XXXXX
- XXXXX

**Experience**

- XXXXX
- XXXXX
- XXXXX
- XXXXX
- XXXXX

## Management team

### XXXXX

**Position:** Founder director

**Address:**

**Phone #:**

**Email:**

**Education:**

- XXXXX
- XXXXX
- XXXXX
- XXXXX
- XXXXX

**Experience**

- XXXXX
- XXXXX
- XXXXX
- XXXXX
- XXXXX

## The Company seeking an investment of $9m, mainly to finance CAPEX and the working capital during the first 12 months of operations

**Initial investments, $**

| Item | Amount |
|---|---|
| **CAPEX** | |
| Transport | |
| Ambulance | 50,000 |
| Hospital Vehicles | 100,000 |
| Construction of the building | |
| Construction works (prefabricated modular building) | 400,000 |
| Electricals and plumbing | 70,000 |
| Other | 25,000 |
| Medical equipment | 75,000 |
| Equipment and furniture | 25,000 |
| Construction of permanent brick structures in year 3-5 | 8,000,000 |
| **Working capital** | 300,000 |
| **Total** | **9,045,000** |

Source management information