

CASE STUDY

SERENGETI NATIONAL PARK

TANZANIA



ROLE

Paul Milton, as CEO Hart Howerton San Francisco and London, was engaged to write a business plan for the future of the park in alignment with the 2009 General Management Plan in joint venture with, and on behalf of, the Frankfurt Zoological Society

STATISTICS

7,800,000 acre National Park
1,300 existing operating permanent eco-tourism lodge and camp beds
Currently largest contributor to National Tourism Budget

STATUS

Central government funding will cease in 2015 and the Park needs to become economically self sustaining

MISSION

World Class leading conservation based hospitality program – How to best monetize the asset, with a sustainable low density and high value tourism program?

APPROACH

VISION |

Based on the quality of the environment, the national importance of this iconic destination focused on quadruple bottom line goals (economic, environmental, community and climate)

- Expansion of the existing bed count and product program
- Unlock and monetise the value of the property utilizing the best and highest use of the land, leveraging the value of the brand whilst protecting the unique natural setting
- Attract international investment and conservation partners to share in the tourism and conservation vision

VIABILITY |

Detailed due diligence and determination of economic feasibility to measure the vision

- Comprehensive site analysis conducted to determine best and highest use aligned with the carrying capacity of land
- A full financial due diligence study conducted to determine the long term economic viability and sustainability of the project
- On-going stage by stage detailed Capex and Opex pricing and cost reporting to track projections and returns, to meet investment program targets
- Detailed marketing strategy, message, differentiators, values and absorption profiles
- Establishment of regional community benefits and participation programs

MILTON

- MARKET DEMAND** | Carefully understood the market's needs and wants, whilst proof testing the viability
- A global price point benchmarking analysis conducted on existing market and competition
 - Integration of benchmarking process into development program and position statement
 - Global proof testing with third party operators and tourism experts and professionals, community leaders, academics and environmentalists

- VALUE PROPOSITION** | Created an investment model to monetize the asset for government and public stakeholders, providing a one of a kind experience and a best in class hospitality offering
- Value for all key stakeholders defined; ownership, rights of use, community and environment
 - Partnership model designed to unlock value of existing property to give joint returns through a public/private partnership
 - Value to community through direct and downstream benefits; identified, quantified and built into investment models
 - Environmental benefit quantified through lease structuring and integrated into models and long term investor agreements
 - Revenue distribution channels identified and streamlined to reach local communities and environment

- CREATING THE CONDITIONS** | Integrated the local political and community leaders and agencies, private, non-profit and public sector representatives, capital partners and the global environmental and science community to create the conditions for success
- Legal and tax vehicles created to accommodate foreign investment and minimize risk
 - Entitlements strategy formulated with Tanzania legal counsel to streamline approvals and safeguard future integrity of asset
 - Long term partnership strategy with National Parks authority and central government delivering; employment, business linkages, micro financing and education programs

- POSITIONING & PARTNERING** | Develop the project identity and identify likeminded investment partners
- PR company and branding agencies engaged to create project identity and brand that appeals to low density and high value market demographic
 - Prospective operator partner profiling exercise undertaken
 - Short list of candidate operator partners identified and targeted based on profiling exercise

- DESIGN** | Select, manage and coordinate the professional design team and ensure each project delivers a unique market based solution to satisfy and safeguard the vision
- Handpicked team of consultants engaged with experience in the delivery of market driven, high end master planned tourism products
 - A 'ground up' design approach undertaken based on an intimate understanding of the land and environment to ensure site driven, cost effective and flexible solutions
 - Project vision and integrity continually adhered to in order to meet and protect vision
 - Secured EIA and land entitlement approvals



- LEGAL** | Created a framework for outside investment that represents the National Park's vision
- Integrate legal/tax/brand/management and land lease requirements into investment offering framework documents.
 - Ensure leases and rights of use agreements align with the existing park management policies and uses

- OPERATIONS** | Identify and integrate the economic, branding, marketing and technical services requirements of the operating company, TANAPA, the National Parks authority, and their partners the Frankfurt Zoological Society. Monitor progress against project goals
- The existing Serengeti marketing and branding strategy reviewed to accommodate the new development program without brand dilution or confusion
 - A full audit of the existing project operations conducted to ensure the capacity and support structure required to manage new program with no adverse effect on existing service levels

