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MAMALAND SAFARIS AND WOODLAND LODGES: POST-PANDEMIC OPPORTUNITIES AND CHALLENGES FOR ADVENTURE TRAVEL IN EAST AFRICA

OPTIMISM AND UNCERTAINTY AFTER THE COVID-19 PANDEMIC

In June 2021 the international tourism industry had begun to show signs of revival after the Covid-19¹ global pandemic brought tourist travel to a halt. Small business owner, Tony Byarugaba (Exhibit 1) looked out on the scenic grounds surrounding his Topi Lodge near Kihhihi, Uganda. Byarugaba's two companies, Mamaland Safaris and Woodland Lodges, had already survived numerous tough times--- a global recession in 2009², the outbreak of Ebola in 2014³, and most recently a pandemic. From his beginnings as a tour operator, Byarugaba had diversified into the hotel business. Now he thought to himself, "What is my future? I have the capital to invest, and I believe there is more I can do."

FROM DRIVER TO TOURISM ENTREPRENEUR

Tony Byarugaba was born and raised in Kampala, the capital city of Uganda. His brother worked as a tourist guide at a museum and through him Byarugaba worked with tourists in Africa (Exhibit 2 shows the map of East Africa).

Often people visited Kenya for professional conferences, then extended their stay to tour Uganda. While Kenya and Tanzania were famous for national parks and wildlife, Uganda was home to the endangered species of mountain gorillas.

¹ Sam Meredith, "WHO warns it could take up to 5 years before the coronavirus pandemic is under control," *CNBC*, May 14, 2020, accessed on September 15, 2021, www.cnbc.com/2020/05/14/coronavirus-who-warns-it-could-take-up-to-5-years-to-control-pandemic.html

² Michael J Boyle, "The Great Recession", Investopedia, October 23, 2020, accessed on September 22, 2021, <https://www.investopedia.com/terms/g/great-recession.asp>

³ "2014-2016 Ebola Outbreak in West Africa", Centers for Disease Control and Prevention, March 8, 2019, accessed on September 22, 2021, <https://www.cdc.gov/vhf/ebola/history/2014-2016-outbreak/index.html>

Even though he was not a trained guide, Byarugaba helped his brother by meeting tourists at the airport then driving them to local attractions in Kampala. In this way, Byarugaba began to learn the tourism business. In 2004 his brother decided to move to England. He encouraged Byarugaba to invest in a comfortable safari vehicle and form his own tour company. Byarugaba borrowed money from his mother and brother to buy a Safari Jeep⁴, registered his company and received the necessary permits and licenses.

Byarugaba familiarized himself with three key national parks in Uganda: Bwindi, Queen Elizabeth, and Murchison Falls, which became the cornerstone of his guide business. He formed alliances with businesses run by the Buhoma community, the Batwa Pygmy tribes, and other local tribes that offered community-based experiences. Visitors could stay in rest camps that were run by local tribes, eat local (African) food, and experience an authentic side of Ugandan life.

To spread the word locally, Byarugaba dropped printed advertisements off to Kampala hotels. As a way of supplementing his income while his guide business took hold, Byarugaba used his jeep to drive guests to night clubs, weddings, and other events in and around Kampala.

With virtually no overhead, his goal was to earn a profit of USD⁵ 3 or UGX⁶ 10,000⁷ per day, enough to provide him with three meals. His first big break came when a French businessman hired him for a four-day trip to Bwindi.

⁴ A vehicle with a roof hatch that allowed people to view animals in the wild safely.

⁵ United States Dollar

⁶ Ugandan Shilling

⁷ USD 1 = UGX 3500

CONNECTING WITH ADVENTURE TOURISTS FOR EARLY SUCCESSES

Uganda was a world heritage site and one of the 3 countries in the world -Uganda, Rwanda, and the Democratic Republic of the Congo (DRC), where it was possible to view mountain gorillas in their native habitat (Exhibit 3). Visitors hiked into the forests for the unique experience of viewing mountain gorillas and other primates.⁸

Besides mountain gorillas, Uganda offered opportunities to experience other exotic animals and rare species of birds.

Byarugaba said, “Many tourists visit east and south Africa to see the exotic wildlife in the continent. The Serengeti, Masai Mara and Amboseli parks in Kenya and Tanzania are famous for the Big 5 animals of Africa^{9 10}; and other birds.”

Byarugaba learned that Rwanda became popular because of Dian Fossey’s research¹¹ for the protection of endangered mountain gorillas. Though in much smaller numbers, one was able to view the Big 5 animals, plus zebras, giraffes, and other exotic animals in Rwanda.

Meanwhile, DRC was home to mountain gorillas and was famous for the Mount Nyiragongo¹² hike in Goma. The government of DRC centrally managed all tours via Virunga Tourism for

⁸ Habituation is the act of training wild animals to become used to the sight of people.

⁹ The term “Big Five” originally referred to the difficulty in hunting the lion, leopard, rhino, elephant and African buffalo. These five large African mammal species were known to be dangerous, and it was considered a feat by trophy hunters to bring them home.

¹⁰ “Ten Wild Facts about the “Big Five””, WWF, accessed on September 28, 2021, <https://www.worldwildlife.org/blogs/good-nature-travel/posts/ten-wild-facts-about-the-big-five>

¹¹ Dian Fossey was an American primatologist and conservationist known for undertaking an extensive study of mountain gorilla groups from 1966 to 1985.

¹² Mount Nyiragongo is an active stratovolcano in the Virunga Mountains in DRC.

visitors. Unfortunately, frequent civil wars in the country¹³, necessitated that all tourists had to be escorted by heavily armed guards and other security personnel. Byarugaba discovered, “I could not organize any tours in DRC, but I could connect my clients to the right sources and help them in planning their transport to enter DRC.”

Byarugaba went on to explain some of his native country’s unique appeal. “Uganda has several competitive advantages. Visitors can view the Big 5 animals, the mountain gorillas and other wildlife. 60% of the mountain gorilla habitat is in Uganda. The government took strong measures to reduce poaching, which had the positive effect of increasing the numbers of all wildlife. As a result, the country offered a great opportunity to wildlife enthusiasts to participate in research groups or habituation exercises.”

“Only in Uganda’s Queen Elizabeth National Park could visitors view the famous tree climbing lions¹⁴. These factors helped sell trips and attract tourists to Uganda. Travelers did not have to apply for a tourist visa of different African countries to experience many different activities.”

An East Africa visa priced at USD 100 allowed visitors to travel freely between Kenya, Uganda, and Rwanda. To visit other countries in East Africa a different visa was required, at a cost ranging from USD 50 – USD 70. But due to the Covid-19 pandemic newer restrictions regarding Covid testing, or quarantining were added. These did not allow people to move freely from one African country to another.

¹³ “DRC conflict: Facts, FAQs, and how to help”, World Vision, accessed on September 22, 2021, <https://www.worldvision.org/disaster-relief-news-stories/drc-conflict-facts>

¹⁴ The lions in Queen Elizabeth National Park showcase a rare behavior whereby they climb trees to protect themselves from the constant irritation of insect bites while lazing on the ground. Lions in other places do not climb trees.

Byarugaba explained another obstacle to tourism, “Certain countries in Africa like Mali or Somalia were unsafe as you can see by their high crime rate.¹⁵ Unfortunately crimes in these countries were often showcased by media as crimes happening *in Africa*. This led many to believe that *all of Africa* was unsafe. As tour guides it was essential to guarantee that tourists experienced the positive side of Africa and enjoyed a good, safe vacation.”

Mamaland Safaris welcomed many clients from Kenya, Tanzania, and Rwanda. Uganda shared a border with all these countries. Before the pandemic, citizens of Kenya, Uganda and Rwanda could freely travel within these countries by showing their identification, and they could obtain a visa to enter Tanzania at no cost. The geographic proximity and the easy entry requirements made Uganda a favorable tourist destination.

One could view the mountain gorillas in Uganda for USD 600 – 700 as opposed to USD 1500 in Rwanda. Hence, many tourists chose to view mountain gorillas in Uganda. The Rwenzori Mountain range, Murchison Falls and other parks offered several opportunities for a weekend getaway for African tourists who chose to camp, explore different lodges, or visit new destinations in the surrounding countries.

¹⁵ Peter, “Most Dangerous Countries In The World 2021 – Ranked”, Atlas and Boots, December 7, 2020, accessed on September 22, 2021, <https://www.atlasandboots.com/travel-blog/most-dangerous-countries-in-the-world/>

Since he received a lot of business from clients in Africa, Europe and Asia, his staff had to accommodate their food preferences as well as their customary mealtimes. Their expectations also varied. Some tourists wanted to see all animals while others wanted to focus on specific species.

Byarugaba worked to understand how to build a great customer experience. Part of the challenge he recognized was the need for proper training. “One could learn driving or tracking animals easily. But showing actual concern for tourists and giving them right advice at different steps was what ensured that people would visit Africa again and bring more friends with them,” Byarugaba explained.

Many of Byarugaba’s clients were in the 17 – 55 age group. These were generally individuals with good fitness levels. One had to be physically fit to hike the mountains to view animals, or travel for long hours on dirt roads in Africa. Byarugaba often joked with his clients, asking them if “they were enjoying the African massage” on the unpaved roads during safaris. He advised his clients to ready themselves for the physical demands of the trip in advance by walking or doing yoga. Fitness would ensure more ability to participate and enjoy the journey. He also advised them to carry insect repellents, hiking gear and other appropriate items.

There were already many package tours competing for the lucrative mountain gorilla tour business, so Byarugaba chose to customize his approach. Rather than offering the standard 10-day fixed tour like the big brands, he spoke with each prospective client extensively to understand their needs. One of his clients wanted to experience the public transportation systems

in Kampala. Another, a psychiatrist, was interested in exploring traditional psychiatry clinics in Uganda. Byarugaba found those contacts for her.

Along the way, Byarugaba had developed a deep interest in birds. One of his Swedish clients appreciated Byarugaba's birding skills and commented "I have never met anyone in my African travels who could identify so many birds." Byarugaba saw many more bird watching enthusiasts from Sweden coming in. Byarugaba's willingness to go to such lengths to promote his business paid off.

He quickly realized that word of mouth and personal testimonials from satisfied guests offered him the greatest gateway to new clients, more than any website or brochure could generate. He also developed the goal of cultivating repeat customers who wanted the chance to see and do more on future trips to Uganda. One of his clients, a French businessman, introduced him to AGS Movers, an international company that helped him plan tours for corporate executives who wanted to visit Africa for business.

Clients gave Byarugaba good feedback on TripAdvisor and helped grow his company through word-of-mouth marketing. Repeat customers solicited Mamaland Safaris' help in visiting other African countries. Byarugaba was able to assist them by arranging for tours in Kenya, Tanzania, and Rwanda.

SURVIVING SETBACKS

Though countries like Zambia and South Africa were also popular African safari tourist destinations, Byarugaba wanted to focus only on those countries near Uganda.

Enticed by the opportunity to expand beyond Uganda, Byarugaba travelled to Kenya, Tanzania, and Rwanda to build business alliances. This proved to be bitterly disappointing. People did not honor their contracts or commitments, cheated him of revenue, and failed to deliver the level of customer service Byarugaba had built his reputation on. It was a disaster.

Instead of alliances, Byarugaba decided to train his own guides who were able to take guests throughout East Africa knowledgeably and comfortably. Byarugaba hired people from local communities in Uganda to be consistent with his theme of community-based tourism.

This worked well until 2020 when the pandemic¹⁶ imposed several quarantine restrictions¹⁷, limiting travel internationally as well as across African borders.

Even before the pandemic there were serious business challenges. Byarugaba's business was just getting started when the 2008-09 global recession devastated the tourism industry.

Byarugaba contemplated selling his main asset, his car, but with family support Byarugaba was able to hang on until the economy turned around. In 2009, Byarugaba met a touring Swedish priest who had lived in Hong Kong and was president of the Hong Kong birding club. He was impressed by Mamaland Safaris' services and helped him secure an important contract. The profits from this venture enabled Byarugaba to invest in his first small bus.

With company growth, Mamaland Safaris' assets and investment increased, though conservatively. Loans and savings financed the company growth, though with interest rates of up

¹⁶ Lisa Schnirring, "China ups coronavirus death toll", CIDRAP News, April 17, 2020, accessed on September 22, 2021 <https://www.cidrap.umn.edu/news-perspective/2020/04/china-ups-coronavirus-death-toll>

¹⁷ "Coronavirus Information", UC San Diego Health, accessed on September 22, 2021, <https://health.ucsd.edu/coronavirus/Pages/FAQ.aspx>

to 30%, loans were not Byarugaba's first choice. He purchased additional Safari jeeps and vehicles for a total of 4 cars and 1 bus for his core fleet. To support additional contracts, Byarugaba chose to rent vehicles as needed.

Next came the 2013-16 deadly Ebola outbreak. Although cases of this highly contagious and often fatal disease were largely limited to West Africa, international travel to all of Africa suffered a major downturn. Both experiences taught Byarugaba the necessity of remaining ready to adapt.

As a small business owner, he had few resources but was able to respond quickly to changing conditions, mostly by limiting his operating expenses. When the 2020 Covid-19 pandemic shut down the world tourism industry, Byarugaba had some proven tactics for how he needed to respond. He moved his residence from Kampala to Entebbe. About 74% tourists left Uganda from the Entebbe airport.

By doing so, Byarugaba was able to see off his guests, gather feedback about their trip, and at the same time live closer to family. The office space in Kampala was closed down and Mamaland Safaris saved on rent. Since no tourists could visit because of the lockdowns, Byarugaba opened his lodges at very low rates to the local people of Uganda who wanted to quarantine or just chill.

ECONOMIC AND DEMOGRAPHIC ASPECTS OF THE TRAVEL INDUSTRY IN UGANDA

Tourism was an important aspect of Uganda's economy. In 2018 (before the pandemic), the country welcomed 1.5 million international tourists, who along with domestic tourists

contributed 7.75% to the GDP. In 2018, Uganda's GDP was USD 32.92 billion¹⁸ and 6.7% of people were employed in the tourism sector. 80% of travelers were from neighboring countries in Africa. Other regions like Europe, Asia Pacific and the US accounted for much of the remaining tourist trade (Exhibit 4 shows the distribution of international tourists visiting Uganda in 2018).

During their trip, 38% of tourists visited at least one other (mainly neighboring) African country and 18 % of tourists visited at least two other African countries.

The further tourists had travelled from their home country, the higher the likelihood they would visit multiple African countries during their stay. 32% of tourists visited Uganda for business, conferences, or education, 25% for leisure or recreation, followed by 24% who visited family or friends.

35% of leisure tourists were 65 years and above. 26% were in the 24 to 34 age group and 21 % of tourists were aged 15 to 24. Education tourists were predominantly 30 years or younger. Not surprisingly, business tourists dominated the 45 to 54 age group. The younger tourists (aged 45 or younger) tended to stay longer but spent less per capita than the older age groups.

The mean per person expenditures of European (USD 1,033) and North American (USD 1,145) tourists were higher than those of African (USD 555) and other tourist groups (USD 952). Total mean expenditures tended to rise with age: USD 809 for individuals between 15 and 25 years, USD 707 (25 to 34 years), USD 659 (age 35 to 44 years), USD 787 (45 to 54 years), USD 1,192

¹⁸ "Uganda GDP", Trading Economics, accessed on September 22, 2021, <https://tradingeconomics.com/uganda/gdp>

(55 to 65 years) and USD 910 for individuals over 65. Approximately 10% of tourists spent between USD 2000 to USD 5000 per person while visiting Africa.¹⁹

The recreational tourism industry was classified into two segments: leisure and adventure.

Leisure tourism consists of relaxing activities like visiting a museum or watching a play. Leisure visitors were highly valuable to Uganda. Though they numbered only 21% of visitors in 2018, they contributed 89% of visitor expenditure. The same trend was observed in Kenya and Tanzania, where 75% of the visitors came for leisure activities.

Uganda's rich wildlife provided great opportunities for attracting adventure tourists as well.

Though the size of the adventure tourism industry in Uganda was smaller, it was growing at a very fast pace of 20% per annum. A lot of factors contributed to this change²⁰.

In 2020, 170 million people out of 1.3 billion in Africa were classified as middle class²¹. The growth in middle class could be attributed to the trend in pursuing stable, salaried, white-collar jobs as opposed to traditional agricultural activities. With the growth of the middle class, the purchasing power of individuals was also increasing, enabling spending in non-essential categories like travelling. Millennials were increasingly looking for adventure experiences.

¹⁹ "Statistical and Economic Analysis of Uganda's Tourism Expenditure and Motivation Survey 2019", World Bank Group, October 2020, accessed on September 22, 2021, <https://www.wavespartnership.org/sites/waves/files/kc/Statistical%20and%20Economic%20Analysis%20of%20Uganda%E2%80%99s%20Tourism%20Expenditure%20and%20Motivation%20Survey%202019%20Report%202020.pdf>

²⁰ "Analysis of the tourism value chain in Uganda", CBI Ministry of Foreign Affairs, August 4, 2020, accessed on September 22, 2021, <https://www.cbi.eu/market-information/tourism/vca-uganda-tourism-2020>

²¹ Abdi Latif Dahir, "Coronavirus Is Battering Africa's Growing Middle Class", New York Times, July 2, 2020, accessed on September 22, 2021, <https://www.nytimes.com/2020/06/29/world/africa/Africa-middle-class-coronavirus.html>

VERTICAL INTEGRATION---BUILDING WOODLAND LODGES AND THE SUPPORT TEAM

By 2014, Byarugaba felt his tour business had an opportunity to grow. He invested in buying an unfinished tourist lodge in Kyambura. Located near the Queen Elizabeth National Park, Byarugaba felt it was a logical extension of the guiding services he could offer guests, making it a sound investment.

Having control of the lodging enabled Byarugaba to take more control of the total customer experience and provided him with another revenue source. It could also serve the leisure tourists as it offered scenic and pristine views of wildlife.

The Pumba Safari Cottages (Pumba) received a low-cost renovation-- a volunteer group from Belgium offered to paint the buildings in the lodge and set up the electrical work in return for a few nights stay! (Exhibit 5 shows images of Pumba). With the money he saved, Byarugaba was able to purchase another Safari Jeep.

Byarugaba also owned Hornbill Bush Lodge (Exhibit 5) in Pakwach. This lodge was built in 2017 in partnership with a good friend. Both owned a 50% share of the property. This was about 2 miles from Murchison Falls National Park, home to the Big 5 animals and also chimpanzees, hippos, giraffes, zebras and other animals. Rare species of birds like shoebill storks could be seen

here. The park offered river safaris, fishing trips and other activities. Visitors usually spent 3-4 days at Murchison Park, so Byarugaba believed he could capture more revenue by adding a lodge there.

The Pumba and Hornbill experiment was a success with each unit generating a profit. So, in 2019, Byarugaba built another facility called Topi Lodge (Exhibit 6), in Ishasha, adjacent to Queen Elizabeth National Park and near Pumba. Byarugaba wanted Topi to be more than lodging. Illegal animal poaching was a serious problem in the park. While the government tried to curtail this activity, it was virtually impossible to monitor the hundreds of park acres.

Byarugaba wanted to try a solution more positive than patrolling---providing employment to many ex-poachers as farmers, arts and crafts producers, beekeepers, carpenters and tradesmen as alternate and legal sources of income.

All the three lodges were similar in structure and architecture and consisted of 6-8 spacious cottages. Byarugaba's business acumen received a boost when he met an executive from a Belgian company who was now living in Uganda. This executive gave Byarugaba practical advice about Belgian customers but also general insights about marketing, branding, and management.

Mamaland's vehicles, for example, should all be the same color. The company needed more professional accounting, record keeping, and secretarial support. Byarugaba hired his wife to assist with professionalizing the business.

These process improvements applied to the lodging business as well. Pumba and Topi started to get more polished. Byarugaba focused on hiring and training to build a team of professional

managers. He also constructed a small organizational structure that enabled his best people to advance in the company.

Prior to Covid-19, Byarugaba's two organizations consisted of two sets of staff specific to the business line.

- Mamaland Safaris' employees included two tour consultants for sales, an accountant, operations/fleet manager, a general manager, a cook and six staff drivers/tourist guides.
- Woodland Lodges employed a team leader, chef, housekeeper, front office staffer, one waiter, a security guard and one general support person.

After the pandemic travel lockdowns, staff was reduced to a minimal level.

- Mamaland Safaris shrank to one tour consultant and four driver/guides, while retaining the accountant and operations manager.
- Woodland Lodges retained the team leader, chef, housekeeper and one general support person.

Working through the lockdowns was extremely difficult. Bankruptcy seemed possible. Unable to make payroll but wanting to retain good employees, Byarugaba offered staff free meals at the lodges. To entice some business travel, Byarugaba offered discounts as steep as 70% off. With no clear end in sight, the best he could do was slash overhead. Exhibit 7 shows the financial information for Byarugaba's businesses (the financial year in Uganda was from July 1 to June 30).

TRAVEL DISRUPTIONS IN TIMES OF COVID-19

To curtail the pandemic, the governments of many countries implemented travel bans and stay-at-home measures. This impacted the tourism industry severely. The market size of the global

tourist industry fell from USD 1.8 trillion in 2019 to USD 1.09 trillion in 2020, a decline of 39.4%. A Covid-19 vaccine²² had been rolled out in 2020, which reduced the infection rate among people around the world.

This eased the travel restrictions in many countries and the tourism industry's market size was forecast to rise to USD 1.3 trillion in 2021.²³ Though it would take time for the tourism industry to fully recover to pre- pandemic levels, this forecast that projected growth of more than 19% was encouraging to tourism businesses.

The frequent lockdowns and restrictions had increased people's search for adventure and escapism. Though the pandemic had not ended, the vaccine started being more available globally. Byarugaba saw a slow increase in people who expressed interest in visiting Africa beginning in February 2021. Most of these tourists had planned to visit in 2020 but had postponed their plans because of the pandemic.

While he was excited to welcome tourists, Byarugaba was anxious about new Covid-19 regulations. Visitors had to undergo tests to show that they were not carrying the virus. The test results generally took 15-24 hours to process, and travelers had to quarantine during those periods at designated hotels or lodges.

"I was always on the tenterhooks when visitors were visiting. I was scared if anyone tested positive. It increased responsibility of all team members. We also needed to introduce new guidelines and clauses in the tour contract, so visitors understood that they would incur costs of the Covid-19 tests and additional expenses necessitated by quarantine or medical emergencies.

²² "COVID-19 Vaccination", Centers for Disease Control and Prevention, August 11, 2021, accessed on September 22, 2021, <https://www.cdc.gov/vaccines/covid-19/index.html>

²³ "Market size of the tourism sector worldwide from 2011 to 2020, with a forecast for 2021", Statista, August 24, 2021, accessed on September 22, 2021, <https://www.statista.com/statistics/1220218/tourism-industry-market-size-global/>

Due to the increase in Covid-19 cases in Uganda, many people were asked to mandatorily quarantine for 10 days after entering Rwanda even if they test negative.²⁴ Of added concern was the fact that primates like gorillas were endangered species and shared 98% of the DNA like humans. They were also at a great risk of contracting the virus.

For this reason, all tourists were required to show a negative test to enter national parks.²⁵

Further complicating planning, each country or attraction had its own requirement, which changed from time to time.

COMPETITIVE ADVANTAGE IN A CROWDED LANDSCAPE

Tourism in Africa has been a big business for many decades. Like any mature industry, it was segmented into a few main categories: European based companies, US based companies, and African or local based companies. Within these distinctions, pricing tiers and varying levels of service integration differentiated the offerings.

As a locally based, African owned company, Mamaland and Woodland Lodges had to find their market niche. With limited resources and capabilities, Byarugaba considered what he could offer to set himself apart from much larger, more established brands with extensive marketing budgets. One advantage he enjoyed was being able to operate across East Africa without obtaining separate work permits.

²⁴ James Tasamba, "Rwanda introduces quarantine for travelers from Uganda, India", AA, June 17, 2021, accessed on September 22, 2021, <https://www.aa.com.tr/en/africa/rwanda-introduces-quarantine-for-travelers-from-uganda-india/2276700>

²⁵ "Covid-19 and Mountain Gorillas", International Gorilla Conservation Programme, accessed on September 22, 2021, <https://igcp.org/tourism/covid-19-and-mountain-gorillas/>

Companies such as Gorilla Tours and Matoke Tours were based in Europe, which gave them proximity to the large pool of European travelers. Not only did these companies have generous marketing budgets, but they also generated much higher profit margins, as high as 45%. Their business model relied on referrals from well-established travel agents with extensive customer bases. Through such referrals they were able to maintain consistent levels of travel bookings. In keeping with the higher prices, the resources of these companies tended toward greater comfort and efficiency.

They ran touring fleets of larger vehicles serviced by their own mechanics and managed by a fleet professional. Some of these larger tour operators also operated lodges in the mid to high priced category. Naturally it was more expensive to operate these bigger, well-appointed lodges with extra amenities and more employees, but the expense was offset by the higher rental rates. In both the US and in Europe some niche businesses have attracted the small but very lucrative market of luxury adventure travelers. Some examples included Wigwam Tours (German), Classic Safaris (American), Great Lake Safari (American) and Wild Frontiers (United Kingdom). These businesses catered to the affluent traveler in search of unique, highly personalized travel experiences with amenities including “clean” safaris, charter air travel, and superior accommodations. Though the comfort level was higher in these tours, Byarugaba observed that the experience of connecting more authentically with the local community was not a feature of luxury trips.

Visitors were served American or European meals rather than having an opportunity to enjoy the local cuisine. The service staff were highly trained for international service levels, unlike the less formal but hospitable service provided by indigenous African employees. While high-end touring represented a small segment of tourism demand, it has grown in popularity as more people were able to afford luxury. With a profit margin of 60% for tour operators, this segment presented an attractive market.

Competing on the local level were significantly smaller companies such as Karumuna Safari. They offered budget priced tours based on low operating costs and minimal staffing. They did not have a tour consultant to assist with planning and their drivers were hired on an “as need” basis. While they offered “custom tours” more burden was placed on the tourist to develop their own itinerary. Byarugaba looked back and saw that he had started his business using this model and had eventually scaled up.

After years of experience, Mamaland Safaris took a much more hands-on approach to planning and execution, in part by better training its employees. Mamaland Safaris was willing to develop custom tours for small groups led by experienced guides. The tours operated on a profit margin of approximately 15%. Byarugaba offered a larger discount if it was a larger tour group or if people wanted to visit Africa for extended stays. As a local entrepreneur, he was able to connect with the local businesses and communities to offer discounts on group bookings.

Clients also had the flexibility to adjust their tour schedule if flight delays or other unforeseen circumstances arose.

On the accommodations side, Woodland Lodges offered a range of prices with varying levels of amenities, from budget for modest rooms to mid-range rooms that were clean and comfortable.

FUTURE OPPORTUNITY- MORE TOURS, LODGES, AND LOCATIONS?

Byarugaba was not sure if investing in two lodges close to each other was a wise move. He wanted to open another lodge. He was debating if it should be near Bwindi or in Entebbe. Land near Bwindi was very expensive but, drawn by the lure of mountain gorilla tours, the volume of tourist traffic was high. Land near Entebbe was cheaper and offered a convenient base for transporting people to the airport before or after their safari. Was it better to invest in more lodging facilities---the Woodland Lodges business line, or in Mamaland Tours, diversifying into more services by expanding the types or locations of tours currently available?

Forming an alliance in Kenya or other countries was not fruitful in the past. Byarugaba wondered if it was time to reconsider his decision to form a strategic alliance again or to open an office in another country.

EXHIBIT 1: TONY BYARUGABA



Source: Company Documents

EXHIBIT 2: MAP OF EAST AFRICA



Source: Maps Company²⁶

²⁶ "East Africa", Maps Company, accessed on September 21, 2021, <https://mapscompany.com/collections/east-africa>

EXHIBIT 3: GORILLA HIKING TOUR IN AFRICA



Source: Company Documents

EXHIBIT 4: DISTRIBUTION OF INTERNATIONAL TOURISTS VISITING UGANDA IN 2018

Country	Percentage
Rwanda	32%
Kenya	24%
Tanzania	6%
USA	4%
India	3%
UK	2.4%
Others	28.6%

Source: CBI Ministry of Foreign Affairs²⁷

²⁷ "Analysis of the tourism value chain in Uganda", CBI Ministry of Foreign Affairs, August 4, 2020, accessed on September 22, 2021, <https://www.cbi.eu/market-information/tourism/vca-uganda-tourism-2020>

EXHIBIT 5: PUMBA SAFARI COTTAGE



Source: Company Documents

EXHIBIT 5: HORNBILL BUSH LODGE



Source: Company Documents

EXHIBIT 6: TOPI LODGE



Source: Company Documents

EXHIBIT 7A: FINANCIAL INFORMATION FOR MAMALAND SAFARIS²⁸

Initial investment = UGX 7,023,680 in 2005

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	137,316,746.9	1,611,251,382.3	1,836,147,681.0	1,621,123,125.4	847,774,682.4
Expenses	210,910,893.7	1,588,916,288.9	1,662,297,373.9	1,457,958,796.2	769,469,748.1
Profits - net surplus	-73,594,146.9	22,335,093.3	173,850,307.1	163,164,329.2	78,304,934.3

*All figures in UGX. All figures have been altered proportionally to protect commercially sensitive financial data.

Source: Company Documents

²⁸ USD 1 = UGX 3500

EXHIBIT 7B: FINANCIAL INFORMATION FOR PUMBA SAFARI COTTAGES

Initial investment = UGX 103,143,807.1 in 2014

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	27,697,088.0	159,641,199.4	197,148,018.3	153,592,831.8	134,853,604.7
Expenses	23,993,421.8	76,901,829.4	106,463,804.4	103,410,422.0	80,268,836.4
Profits - net surplus	3,703,666.2	82,739,370.0	90,684,213.9	50,182,409.9	54,584,768.3

*All figures in UGX. All figures have been altered proportionally to protect commercially sensitive financial data.

Source: Company Documents

EXHIBIT 7C: FINANCIAL INFORMATION FOR HORNBILL BUSH LODGE

Initial investment = UGX 67,025,189.98 in 2017

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	19,016,166.2	139,725,416.4	111,243,548.8	34,161,816.9	-
Expenses	47,100,400.3	86,433,971.6	92,721,045.8	40,085,126.1	-
Profits - net surplus	-28,084,234.1	53,291,444.8	18,522,503.0	-5,923,309.2	-

*All figures in UGX. All figures have been altered proportionally to protect commercially sensitive financial data.

Source: Company Documents

EXHIBIT 7D: FINANCIAL INFORMATION FOR TOPI LODGE

Initial investment = UGX 165,487,564 in 2018

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	25,509,958.4	78,470,204.4	21,092,058.4	-	-
Expenses	19,963,102.6	54,574,780.9	28,573,786.9	-	-
Profits - net surplus	5,546,855.8	23,895,423.4	-7,481,728.5	-	-

*All figures in UGX. All figures have been altered proportionally to protect commercially sensitive financial data.

Source: Company Documents

EXHIBIT 7E: FINANCIAL INFORMATION FOR WOODLAND LODGES

Total Initial investment = UGX 335,656,561

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	72,223,212.60	377,836,820.20	329,483,625.50	187,754,648.70	134,853,604.70
Expenses	91,056,924.70	217,910,581.90	227,758,637.10	143,495,548.10	80,268,836.40
Profits - net surplus	- 18,833,712.10	159,926,238.20	101,724,988.40	44,259,100.70	54,584,768.30

*All figures in UGX. All figures have been altered proportionally to protect commercially sensitive financial data.

Source: Company Documents

