



The Desert Lotus

“Back To Nature”

**Cherif Guirguis
Diala Rateb
Asmaa Ahmed
Dr. Ahmed Sallam
Mr. Tarik Oualalou
(KILOSPACE)**



THE AMERICAN
UNIVERSITY IN CAIRO

SCHOOL OF
BUSINESS

Office of Student Services



Today's Outline



I. Executive Summary



II. Theme & Resort Plan



III. Marketing Plan



IV. Financials



V. Future Considerations & Conclusion

Executive Summary



Problem Statement

- How to develop an innovative spa & wellness resort in the Middle East and North Africa?

Market Overview

- The region is currently a small market in the wellness industry, however the global wellness institute anticipates a triple growth rate.

Market Gap

- **Current tourism** is mainly either cultural tourism or recreational tourism. The wellness tourism is almost absent.
- **Potential:** The region is heavily depending on tourism in its economy, in addition to the availability of its natural resource and potential to conquer this sector.
- **Gap:** Create a spa resort in the region infused with middle eastern culture to initiate the industry and make it an international destination for wellness tourism in the future.

Executive
Summary

Theme &
Resort

Marketing
Plan

Organization
Structure

Financials

Further
Steps

“Our bodies are our gardens—our wills are our gardeners.”



Shakespeare

The Concept

The Location

**The Size
& Design**

The Layout

**Executive
Summary**

**Theme &
Resort**

**Marketing
Plan**

**Organization
Structure**

Financials

**Further
Steps**

The Desert Lotus translates the serenity of golden dunes and the magic of hot mint aroma into one experience



Environmentally Friendly

Health Beneficial Treatments

Siwa as our location has an ancient history with Cleopatra



Siwa is a popular destination for therapeutic tourism, due to the hot springs and health beneficial sands among other attractive natural features.

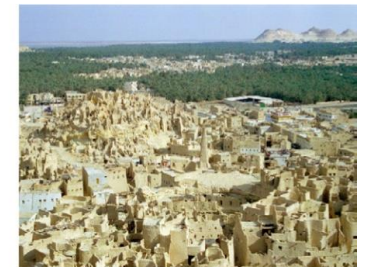
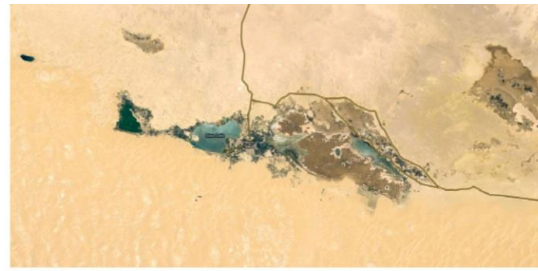
Siwa gives a sense of relaxing isolation, while still being easily reachable for domestic and international tourists.

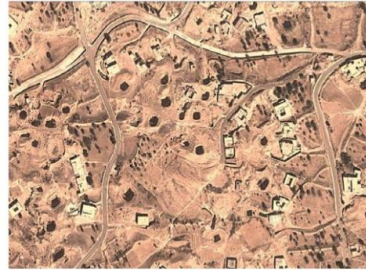
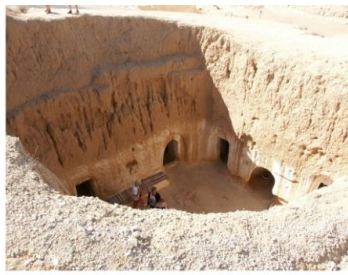
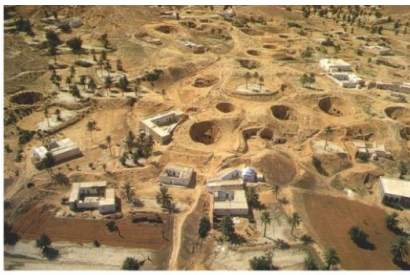




“We are never residents in a desert, we are always passengers, only hoping to steal moments of enchantment under its sky.”

Tarik Oualalou





THE DESERT LOTUS RESORT

PROJECT OF A SPA IN SIWA OASIS, EGYPT

KILO ARCHITECTURES
LINNA CHOI
TARIK OUALALOU
REFERENCES

0 LEVEL
-1 LEVEL



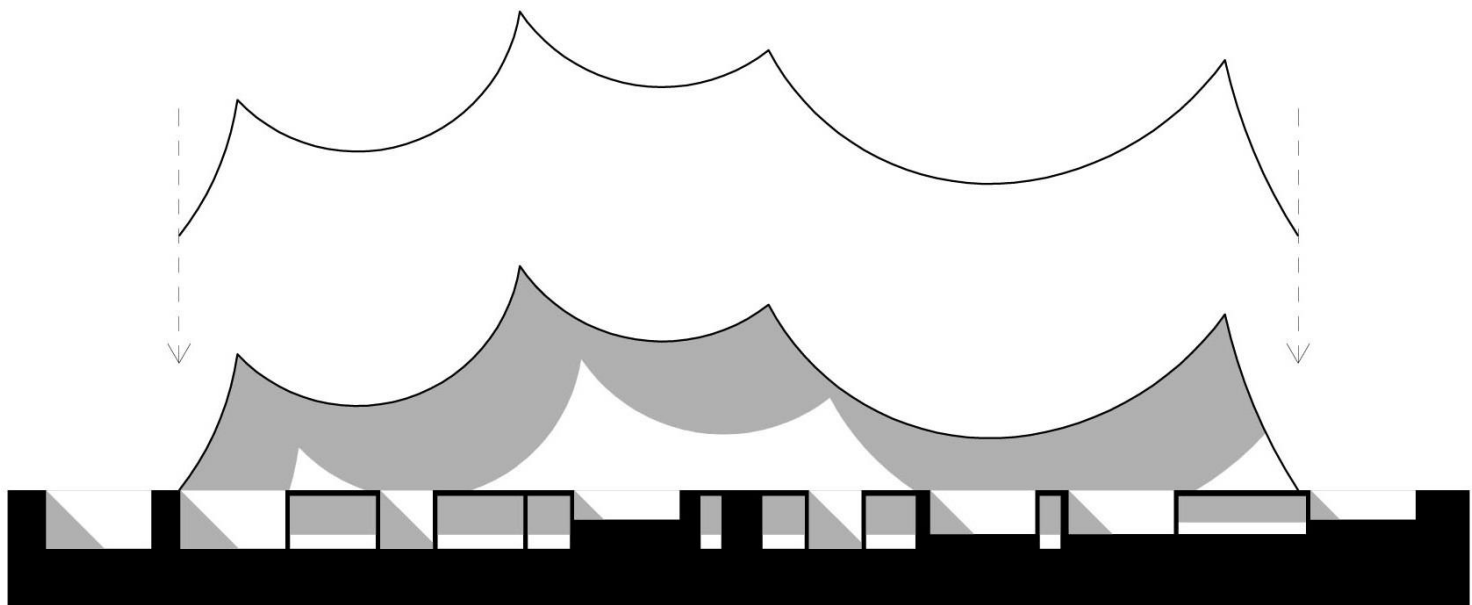
FULL SECTION OF DESERT



SECTION THROUGH COURTS



SECTION THROUGH COURTS AND INTERIOR SPACES



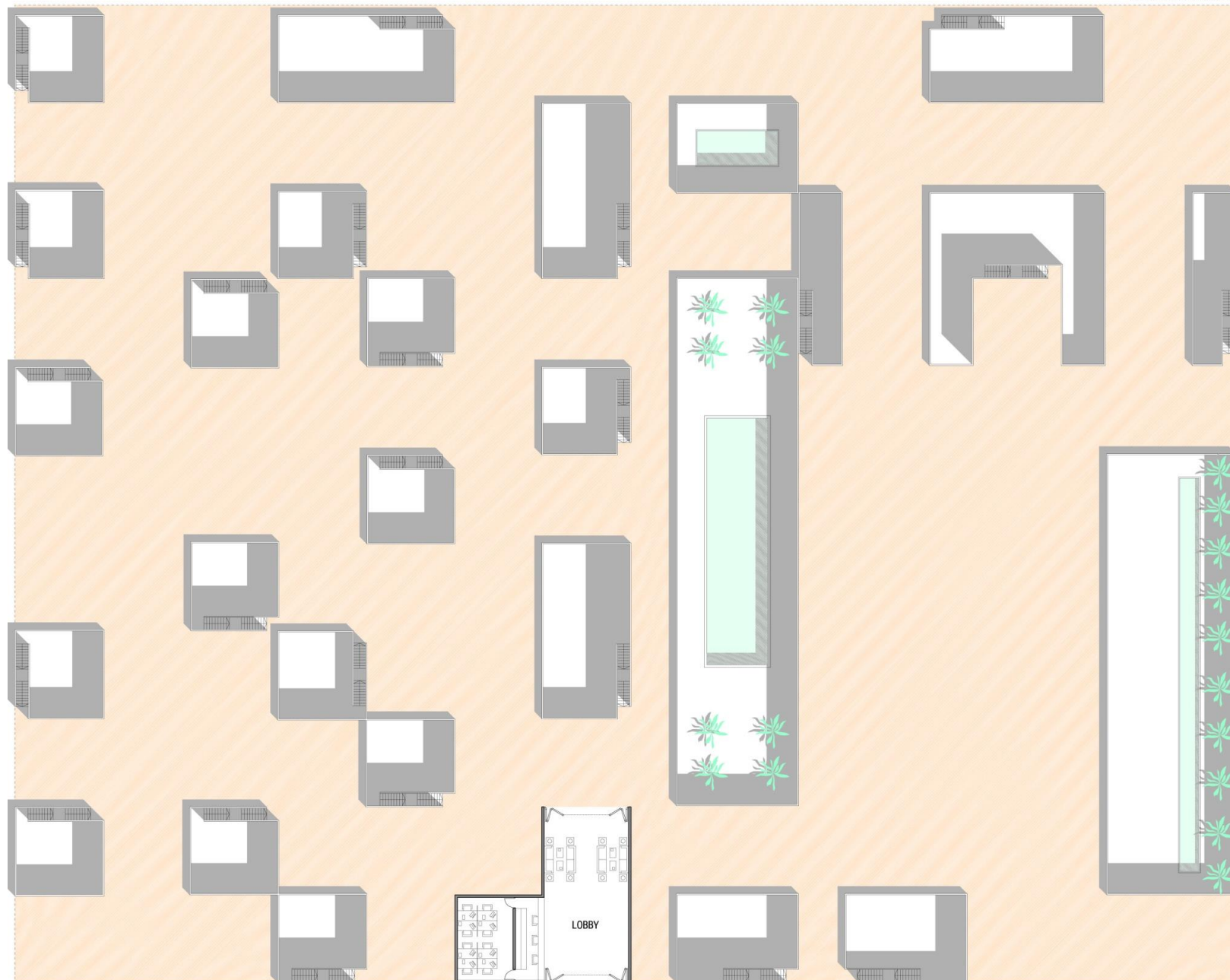
TENT COVERING ALL THE COMPLEX



THE DESERT LOTUS RESORT

PROJECT OF A SPA IN SIWA OASIS, EGYPT

KILO ARCHITECTURES
LINNA CHOI
TARIK OUALALOU

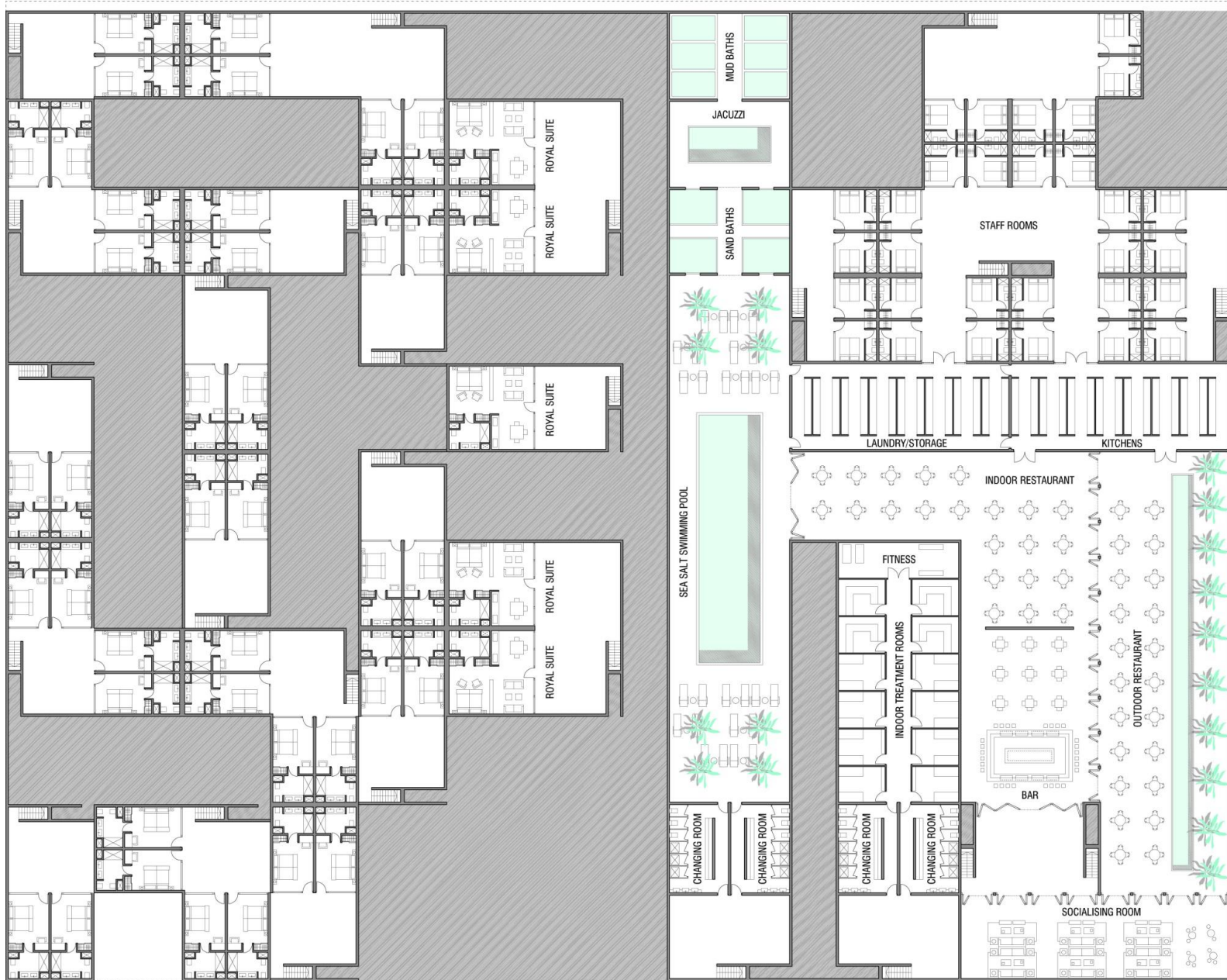


LEVEL 0

THE DESERT LOTUS RESORT

PROJECT OF A SPA IN SIWA OASIS, EGYPT

KILO ARCHITECTURES
LINNA CHOI
TARIK OUALALOU



LEVEL -1



THE DESERT LOTUS RESORT

PROJECT OF A SPA IN SIWA OASIS, EGYPT

KILO ARCHITECTURES
LINNA CHOI
TARIK OUALALOU



Welcome to “Sarab”



The marketing plan is divided into 3 parts.



Where do we want to go?

- Vision
- Mission
- Objectives
- Core values

Where are we now?

- SWOT Analysis

How do we get there?

- Marketing Events & Tools
- Communication Mix
- Target segmentation

Executive
Summary

Theme &
Resort

Marketing Plan

Organization
Structure

Financials

Further Steps

“Back-To-Nature experience in a fast-forward-moving world”



Mission: “To provide our guests with an indulging back-to-nature experience within a fast forward moving world”

The Desert Lotus will focus on two main marketing events to go viral



**“Your skin, your
Treatment”
Campaign**



Spa Selfie

To reach the communication mix objectives, the tools discussed below would be beneficial



I. Partnership Marketing

- Embedding our services and various packages into well-known luxurious venues



II. Gift Certificates and Special packages

- Trials are better perceived in the customer's minds than discounts; they're more than happy to experiment when given the opportunity.



III. Referrals & Word-of-Mouth:

- Encourage and build a positive word-of-mouth to customers' friends and families.



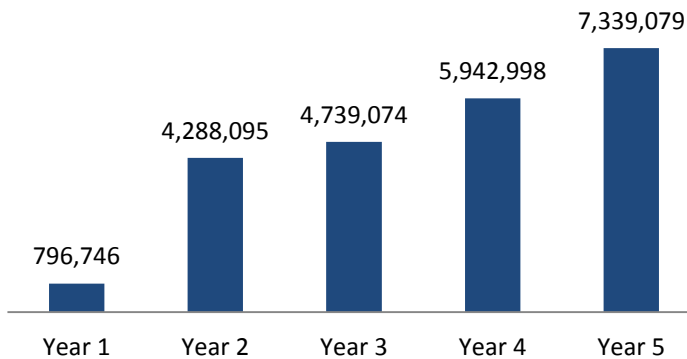
IV. A Website

- Interaction of customers and past visitors with the spa

The team's financial analysis indicates that the project if implemented would be economically rewarding

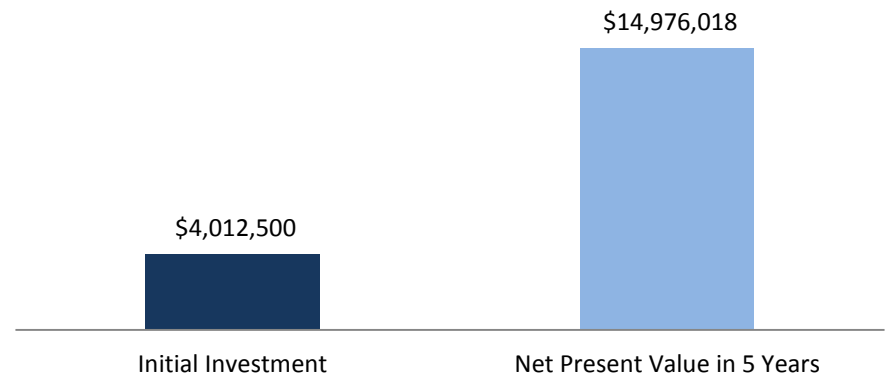


**Projected Net Income (USD):
Year 1 - Year 5**



The resort will break even in less than 2 years.

**Projected Net Present Value vs.
Initial Investment (USD): Year 1 - Year 5**



While an initial investment of around \$4 million is required, a pessimistic outlook would generate a net present value of around \$15 million.

Executive
Summary

Theme &
Resort

Marketing
Plan

Organization
Structure

Financials

Further
Steps

Acquisition of competitors are one of The Desert Lotus' future investments



Strategic Partnerships

Acquisitions





“A luxurious desert-inspired oriental experience where those who have it all go to get away from it all by reconciling with nature”



Back Up Slides



Projected Income

Income statement in U.S. dollars										
		Year 1	+/-	Year 2	+/-	Year 3	+/-	Year 4	+/-	Year 5
Revenue		8,308,000		8,778,480		9,773,098		11,827,581		14,331,481
	Domestic Customers	2,800,000	5%	2,940,000	10%	3,234,000	15.0%	3,719,100	15.0%	4,276,965
	International Customers	5,508,000	6%	5,838,480	12%	6,539,098	24.0%	8,108,481	24.0%	10,054,516
Expenses: Direct		2,803,752		3,072,627		3,379,889		3,717,878		4,096,321
Land	Rent	2,100,000	10%	2,310,000	10%	2,541,000	10%	2,795,100	10%	3,074,610
	Raw Materials	74,400	10%	81,840	10%	90,024	10%	99,026	10%	108,929
	Advertising	100,000	10%	110,000	10%	121,000	10%	133,100	15%	153,065
Staff	Accommodation & Food	25,953	10%	28,548	10%	31,403	10%	34,543	10%	37,998
	Health Insurance	230,000	5%	241,500	10%	265,650	10%	292,215	10%	321,437
	Salaries	273,389	10%	300,738	10%	330,812	10%	363,894	10%	400,283
Gross Profit (Loss)		5,504,248		5,705,853		6,393,208		8,109,703		10,235,160
	Gross Profit Margin	66%		65%		65%		69%		71%
Expenses: Indirect		4,508,316		345,734		469,366		680,955		1,061,312
Equipment	Room	2,320,000	-100%	0	0%	0	0%	0	0%	0
	Sarab	242,500	-100%	0	0%	0	0%	0	0%	0
	Clinic	6,900	-100%	0	0%	0	0%	0	0%	0
	Kitchen/Restaurant/Bar	500,000	-100%	0	0%	0	0%	0	0%	0
	Construction	400,000	-100%	0	0%	0	0%	0	0%	0
	Furnishing	300,000	-100%	0	0%	0	0%	0	0%	0
Other	Solar System	72,000	-100%	0	0%	0	0%	0	0%	0
	Printing & Stationery	10,000	10%	11,000	10%	12,100	10%	13,310	10%	14,641
	Maintenance	13,986	100%	27,972	100%	55,944	100%	111,888	100%	223,776
	Admin & General Expenses	15,000	10%	16,500	10%	18,150	10%	19,965	10%	21,962
	Bank Charges	1,000	10%	1,100	10%	1,210	10%	1,331	10%	1,464
	HR Trainings	20,000	10%	22,000	10%	24,200	10%	26,620	10%	29,282
	Contract Labor	10,000	10%	11,000	20%	13,200	20%	15,840	20%	19,008
	Depreciation	113,450	20%	136,140	20%	163,368	20%	196,042	20%	235,250
	Dues and Subscriptions	1,000	10%	1,100	10%	1,210	10%	1,331	10%	1,464
	Laundry	11,649	10%	12,814	10%	14,095	10%	15,505	10%	17,055
	Palm Trees	909	5%	954	5%	1,002	5%	1,052	5%	1,105
	Shuttle Buses	300,000	-100%	0	0%	0	0%	0	0%	0
	Legal and Professional Fees	9,000	5%	9,450	5%	9,923	5%	10,419	5%	10,940
	Licenses and Fees	8,200	5%	8,610	5%	9,041	5%	9,493	5%	9,967
	Bedouine Rugs	5,322	10%	5,854	10%	6,440	10%	7,084	10%	7,792
	TE Data Internet supply	5,000	0%	5,000	10%	5,500	10%	6,050	10%	6,655
	Uniforms	6,900	10%	7,590	10%	8,349	10%	9,184	10%	10,102
	Repairs and Maintenance	20,000	100%	40,000	100%	80,000	100%	160,000	100%	320,000
	Telephone	1,000	20%	1,200	20%	1,440	20%	1,728	20%	2,074
	Travel	5,000	100%	10,000	100%	20,000	100%	40,000	100%	80,000
	Infrastructure & Utilities	100,000	-95%	5,000	50%	7,500	50%	11,250	50%	16,875
	Vehicle Expenses	5,000	50%	7,500	50%	11,250	50%	16,875	50%	25,313
	Miscellaneous	4,500	10%	4,950	10%	5,445	10%	5,990	10%	6,588
Net Income		796,746		4,288,095		4,739,074		5,942,998		7,339,079
	Net Income (Before Taxes)	995,933		5,360,119		5,923,842		7,428,748		9,173,848
	Taxes	20%		20%		20%		20%		20%
				100						



Key Financial Indicators

Key Financial Indicators									
	Net Profit Margin	10%		49%		48%		50%	51%
	Return on Investment: Y1	20%							
	Initial Investment	\$ 4,012,500							
	Net Present Value in 5 Years	\$ 14,976,018							
	Return on Investment: Y1 - Y5	273%							



Revenue & Costs Breakdown

Revenue Breakdown

Capacity Method				
	Number of Rooms	Total Days spent	Room Capacity	Guest Capacity
Single Rooms	20	300	2	12,000
Double Rooms	20	300	2	12,000
Malakeya Suites	5	300	4	6,000
Maximum Guest Capacity at The Desert Lotus	30,000			
Occupancy Rate/Year	40%			
Expected Demand	12,000			
	Year 2	Year 3	Year 4	Year 5
Domestic Guests	3,675	4,043	4,649	5,346
International Guests	5,724	6,411	7,949	9,857
Total Guests	9,399	10,453	12,598	15,204
Demand Method				
	Domestic Guests	International Guests		
Wellness visitors/Year*	350,000	540,000		
Market Share	0.5%	1.0%		
Trip Arrivals to The Desert Lotus	1750	5,400		
Domestic Visitors per Trip	2	1		
Total Domestic Visitors/Year	3,500	5,400		
Total Guests/Year	8,900			
	Domestic Rates	Foreign Rates		
Accommodation/Person (4 nights, 140D, 180F)	560	720		
Treatments (2 treatments, 50D, 80F)	100	160		
Activities (Safari, Arabian Nights, Sight-seeing)	100	100		
Casino	40	40		
Average Revenue/Stay	800	1020		
Total Revenue/Guest Type	\$ 2,800,000.00	\$ 5,508,000.00		
Total Revenue/Year 1	\$ 8,308,000.00			
*Assuming multiple entries of same persons				
*Assuming maintenance of 65 days				



Investment Breakdown

Investment Breakdown

Element	Amount (in USD)	Notes
Construction (Buildings & Garden)	\$ 400,000.00	Roof, Windows, Carpet Floors, Interior Walls, Exterior Walls, Bathroom Garden.
Furnishing	\$ 300,000.00	
Infrastructure & Utilities	\$ 100,000.00	Electricity, Water supply, Cooling System.
Sarab Equipment	\$ 242,500.00	Masssage tables, facial steamers, Hamam equipment, etc.
Kitchen/Restaurant/ Bar Equipment	\$ 500,000.00	Storage fridges, cutlery, dishes, cooking equipment.
Room Equipment	\$ 2,320,000.00	For a total of 45 rooms (TV LDC, Phone, Mini-bars)
Contingency (Miscellaneous)	\$ 150,000.00	
Initial Investment Cost	\$ 4,012,500.00	



Equipment Breakdown

	Cost per unit	Single rooms	Double rooms	Suites	Total
LCD TV	300	20	20	10	1,200,000.00
Telefon	30	20	20	10	120,000.00
Mini bar	500	20	20	5	1,000,000.00
kitchenette eq	200			5	1,000.00
Total					2,320,000.00



Salaries Breakdown

Salaries				
USD = 7.15 EGP	Number Of Employees	Salary per month in EGP	Salary per year in	Total Salary in Dollars
Resort Manager	1	15,000	180000	\$ 25,174.83
Executive Assistant Manager	1	10,000	120000	\$ 16,783.22
Food and Beverage Executive	1	7,000	84000	\$ 11,748.25
Front office	2	6,000	144000	\$ 20,139.86
Finances manager	1	6,000	72000	\$ 10,069.93
Director HR	1	6,000	72000	\$ 10,069.93
Chef	1	5,000	60000	\$ 8,391.61
Sous Chef	2	4,000	96000	\$ 13,426.57
Accountants	2	5,000	120000	\$ 16,783.22
Waiters	5	2,500	150000	\$ 20,979.02
Housekeepers	10	1,500	180000	\$ 25,174.83
Animation Team	2	2,000	48000	\$ 6,713.29
Casino Personell	2	3,000	72000	\$ 10,069.93
Concierge	1	2,500	30000	\$ 4,195.80
Clinic personell	2	5,000	120000	\$ 16,783.22
Bus driver	1	1,700	20400	\$ 2,853.15
Masseuses	3	3,500	126000	\$ 17,622.38
Facial specialists	2	3,500	84000	\$ 11,748.25
Yoga Instructor	1	2,500	30000	\$ 4,195.80
Fitness trainer	1	2,000	24000	\$ 3,356.64
Pool care taker	1	1,200	14400	\$ 2,013.99
Marketing Director	1	5,000	60000	\$ 8,391.61
Physiotherapist	2	2,000	48000	\$ 6,713.29
Total Salaries	46			\$ 273,398.60