



# Tanzania Buildings Agency (TBA)

## Strategic Plan 2012-2017



July 2013

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# List of Abbreviations

BSS	Business Support Services
CE	Chief Executive
EAC	East African Community
FDI	Foreign Direct Investment
FY	Financial Year
ICT	Information and Communication Technology
MAB	Ministerial Advisory Board
MDA	Ministries Departments and Agencies
MoW	Ministry of Works
OPRAS	Open Performance Review and Appraisal System
PPP	Public Private Partnership
SADC	Southern African Development Commission
TBA	Tanzania Buildings Agency
VFM	Value for Money

# 1 Executive Summary

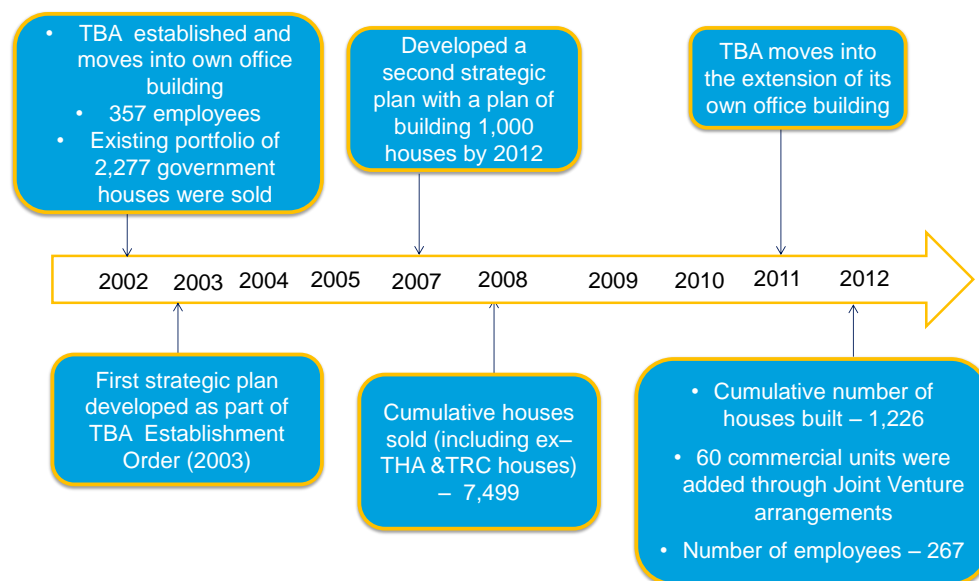
## 1.1 Introduction and Rationale for the Strategy

The Tanzania Buildings Agency (TBA) is at an exciting and expansive stage of development. Since the inception of the Agency in 2002, we have seen a number of achievements including the construction of 1,226 public houses; and sale of over 7,499 houses to public servants (See Figure 1 below). Currently, TBA's primary customer base (i.e. public servants) stands at 400,000 with a projected average annual growth rate of 6.2% between 2013 and 2017. This customer base and expected growth indicates a significant mismatch between demand and supply of public houses, and increases the need for us to grow our capacity in order to meet our customers' needs. Therefore, one of our key goals in this strategy period, 2012 – 2017, is to construct additional 10,000 for selling and renting to public servants by 2017.

To guide this next stage of growth, we conducted a major planning process by soliciting input from a broad range of interested parties including TBA's staff, key stakeholders within the Government, our customers and business partner. Through this process, we identified areas of strengths that TBA can capitalize on; uncovered weak areas within TBA that must be addressed in order to achieve our growth target and identified key opportunities to unlock and risks that must be mitigated along the way. One of the biggest challenges TBA is facing is the high debt owed by the Government which stands at about TZS 17.5 billion. This has limited TBA's ability to undertake development activities and in completing assigned Consultancy projects. Section 3 provides a detailed analysis of TBA's Strengths, Weakness, Opportunities and Threats.

Accomplishing the goals outlined in this Strategic Plan requires significant resources to be generated and significant level of energy, commitment and time on the part of TBA as well as the Ministerial Advisory Board and the Government.

Figure 1: TBA History from 2002 to 2012



## 1.2 TBA's Vision

Our vision remains *“To be a centre of excellence for provision of accommodation to the Government and Public Servants.”* Specifically, TBA wants to be:

- an **efficient TBA** that is helping the government of Tanzania achieve millennium development goals and saving significant amount of resources through **innovative solutions**;
- a **customer-centric Agency** offering solutions that are aligned to the needs of our customers. We aspire to build 100,000 for public servants by 2030. To achieve this ambitious target, we will employ technologies such as Tunnel Form Technology;
- a TBA that attracts the best professionals/talent in the industry and is regarded as the **employer of choice** in both the public and the private sector. We also want to provide a training ground for young professionals and be known as the **Academy of the industry**;
- a **self-sustaining Agency** with resources from operational surpluses to carry out planned development projects and with the ability to pay its staff at a competitive rate.
- a TBA that is **environmentally conscious** and focuses on **sustainable/green solutions** in all its activities.

## 1.3 TBA's Mission

Our mission remains *“To provide quality and environmentally friendly accommodation to the government and public servants through efficient and effective business as well as consultancy services and real estate management”*

## 1.4 Our value system

TBA's staff will continue to be guided by our values that are critical to achieving desired goals. The focus during third strategic planning period will be to ensure that these values are well embedded in everyday life and everyone at TBA is guided by them. We shall launch a special program to bring these values to life. Our organizational values are as follows:

- **Social responsibility** shall imply managing our business processes to produce an overall positive impact on society;
- **Quality and best practice** shall mean adherence by each employee in service delivery to meet customers expectation
- **Customer focused** shall mean the customer is highly valued and respected by all employees;
- **Professionalism and Ethical conduct** shall mean to abide to codes of conduct of professional bodies;
- **Innovation and Entrepreneurship** shall mean creating something new by taking calculated risks for wealth creation;
- **Commitment** shall mean attitude of employee and management towards work;
- **Team work** shall mean working together to achieve a common goal;

- **Environment friendly** shall mean conducting all building activities without environment degradation;
- **Accountability** shall mean each employee to be responsible for their actions;
- **Value for Money –VFM** shall mean obtaining the maximum benefit from the goods and services acquired and provided, within the resources available to the agency;
- **Learning agency** means the agency facilitates the learning of all its members and continuously transforms itself to achieve superior competitive performance; **Gender Sensitive** shall mean to give equal chances to gender when deciding to execute all agency's activities; and
- **Fighting against HIV/AIDS pandemic** TBA management and staff shall continually fight against contamination with the HIV/AIDS and up keep those diagnosed to have AIDS.

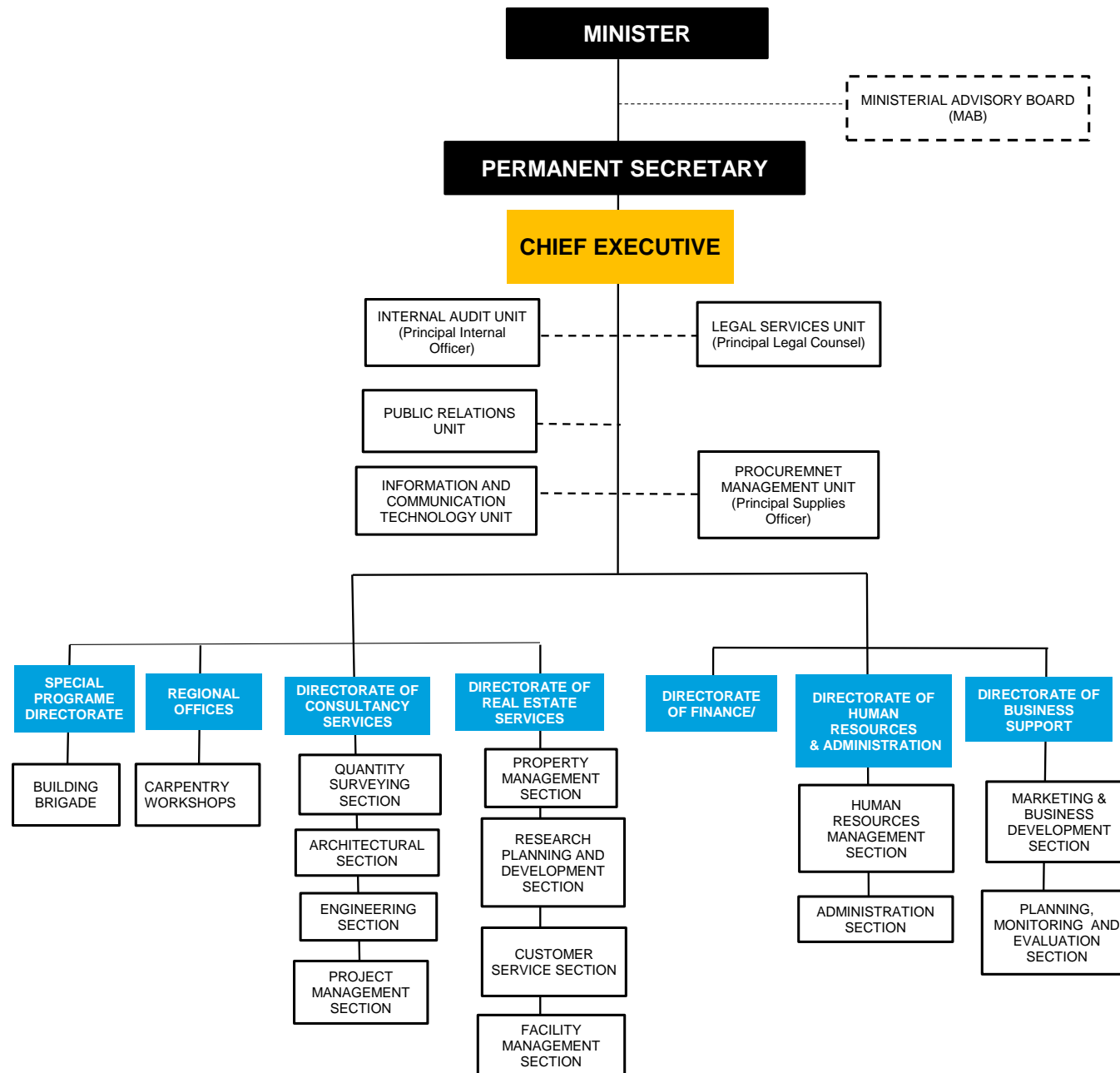
## 1.5 TBA's Organization Structure

Based on the new strategy and expected growth, we have revised our organization structure as presented in Figure 2 in the overleaf. Notes to the proposed organization structure can be found in Appendix I.

In the previous organization structure, key functions such as Finance and Accounts and Administration and Human Resources fall under the Directorate of Business Support Services (BSS) with managers supervising these functions. However, these functions are highly demanding in nature and require distinct "Director" positions to provide technical subject matter expertise in the specific functions and ensure efficiency and effectiveness. In addition, the structure does not represent some of the changes that have been made which are: the establishment of the special project unit; a stand-alone Procurement Management Unit which reports directly to the CE; a stand-alone marketing unit; establishment of Information and Communication Technology Unit, Special Project Unit and Planning and Reporting Unit.



Figure 2: TBA's Proposed Organization Structure, 2013



## 1.6 Our Key Result Areas

TBA has identified two (2) key result areas which form the foundation of our strategy to 2017. These will apply in every part of the Agency and help everyone focus on what is critical for us to achieve our goals and vision. The two result areas are: **Strengthened Institutional Capacity** and **Sustainable Government Real Estate**. Below is an overview of what we aspire to do in each result area and key indicators which have been detailed in the strategy.

### Key Result Area 1: Strengthened Institutional Capacity

#### Rationale

For TBA to effectively execute the strategies detailed in this strategic plan, there is a great need to focus on enhancing the capacity of the Agency. Our analysis of the internal environment of TBA has revealed a number of institutional capacity gaps that if not well addressed will hinder us from achieving set organizational goals and our vision. These institutional capacity gaps include lack of key policies and guidelines, inefficient processes and procedures, inadequate number of professional staff, insufficient skills of non-managerial staff, ineffective organization structure and inadequate use of technology. Institutional strengthening will include measures to be taken to improve the overall performance of the organization by streamlining internal processes of the institution, developing skills of the employees, recruiting more employees based on skills needs, revising organization structure, and strategic performance management. This strategic plan sets out objectives and actions that if implemented flawlessly it will significantly strengthen the capacity of Agency to deliver on its mandate.

#### Key Indicators

- A robust Governance environment that is guided by a presence and compliance to the right governance structure as well as relevant and adequate policies, guidelines and manuals. For instance a Government Real Estate Investment and Management Policy should be in place by 2017;
- Efficient systems, processes and procedures;
- Highly competent, committed and motivated staff who are living out TBA's value on day to day basis; attain a staff satisfaction level of 85% by 2017;
- Increased customer satisfaction to 95% by 2017;
- Reduced number of litigation and legal claims; and
- Improved overall performance of TBA to a total own income of TZS162 billion by 2017.

## Key Result Area 2: Sustainable Government Real Estate

### Rationale

Sustainability of the Government Real Estate is critical to TBA, the Government, public servants and Tanzanian society at large. Key elements on sustainable government real estate that we will focus on include:

- **Strategic management** – ensure adequate planning, flawless execution of strategies and business performance management; this will mean we continuously ensure that the strategy is right (periodic strategic reviews will be critical), we have the right culture and processes to enable us to execute and we create focus on measuring and communicating results to all relevant stakeholders;
- **Enable Advisory Board's effectiveness** – the MAB's role is to provide strategic oversight to TBA and ensure that it effectively deliver on its mandate. To enable the Board effectively perform this role, the management of TBA will work closely with the Board and provide relevant, adequate and timely information about the performance of TBA to enable the Board advise the Agency appropriately;
- **Sustainable building** – we will focus on being environmentally responsible and resource efficient in construction projects; we also want to work closely with the government and ensure that national wide building standards are in place and adhered to;
- **Stakeholder management** – stakeholders (customers, employees, suppliers, industry players, the Government/policy makers, the general public etc.) are highly critical for TBA to achieve its mandate. We want to ensure that we have good relationships with our stakeholders and we establish partnership that will help TBA effectively deliver on the mandate; *for example, engaging with policy makers in developing a Government Real Estate Management Policy.*
- **Financial sustainability** – in order to be self-sustaining, the TBA must operate based on appropriate business principles to generate adequate surplus that can be used to develop houses for public servants.

### Key Indicators

- Decreased dependency on government grants; government grant is expected to reduce from 33% of total income to 4% by 2017;
- Ability to repay back loans and to pay suppliers on time;
- All outstanding debtors is collected and new debt is not overdue longer than 3 months;
- Increased leverage ratio from 0% in 2012 to 44% by 2017;
- Ability to reward staff who exceed performance target
- Increased revenue from new sources revenue;
- Stakeholders' satisfaction with TBA's performance/services offered including the quality of houses/buildings constructed;
- Building Standards (Drawings and Specifications) reviewed and complied with; and
- TBA buildings certification program in place.

## 1.7 Overview of Strategic Objectives

During the next five years, we have decided to focus on implementing ten (10) strategic objectives which are intended to address people and organizational capacity, internal processes, customer/stakeholder and financial performance related. Our strategic objectives are:-

1. Grow own source income from TZS 4.9 billion in FY12 to TZS 162 billion by FY17;
2. Effectively manage costs and achieve a total expenditure to total income ratio of 73% by FY17;
3. Provide affordable and quality accommodation to public servants and the Government;
4. Grow the portfolio of commercial rental properties;
5. Improve customer satisfaction and attain a customer satisfaction level of 95% by FY17;
6. Improve management of public servants houses, government and commercial properties, and ensure public buildings adhere to set standards and specification;
7. Improve operational efficiency;
8. Enhance the governance environment by FY17;
9. Attract, develop and retain competent staff; and
10. Increase use of ICT within the Agency.

A detailed overview of the strategic objectives with their associated strategies and actions is presented in Section 4

## 1.8 Strategy Implementation Plan

This document presents Agency level strategic objectives and strategies. Agency level strategic plan will be cascaded to directorate/regional level, then directorate/regional level strategies will be cascaded to individual level and reflect in individual Open Performance Review and Appraisal System (OPRAS) forms. This will help set the state for implementation by ensuring that the strategy is clearly understood by all staff and every staff knows what is expected of them. Detailed strategy implementation plan is presented in Section 5.

## Monitoring and Evaluation Plan

Monitoring and evaluation of the strategy will be done at three levels

- i. Agency–level: Overall performance of the Agency will be evaluated biannually using input from monitoring and evaluation at directorate/regional level;
- ii. Directorate/Regional–level: Performance of directorates and regions in meeting set directorate/regional goals linked to the strategic plan will be monitored and evaluated monthly.
- iii. Individual–level: Performance of individuals in meeting individual goals linked to the strategic plan will be monitored twice a year, mid-year and end-of-year using OPRAS forms.

## Quick Wins

We have identified quick wins to be realized within the first 12 months of the implementation plan in order to ensure that momentum, commitment and interest in the strategy is maintained. The following are the quick wins

- Collect overdue debts
- Revise organisation structure
- Conduct skills audit and manning analysis
- Process re-engineering
- Develop key internal policies and guidelines
- Enhance internal controls and financial management

## 2 Overview of TBA

### 2.1 Background

Tanzania Buildings Agency (TBA) is the government's Executive Agency under the Ministry of Works (MoW) with a primary mandate of providing quality accommodation to Government and public servants as well as building consultancy services to the Government. The Agency was established in May 2002 in accordance with the Executive Agencies Act No. 30 of 1997 as a transformation of the Building Department (BD) within the Ministry of Works (formerly known as the Ministry of Infrastructure Development).

The history of the Building Department dates back to 1969 when it was formed in the Ministry of Works by virtue of the constitution of the United Republic of Tanzania. The department's functions included construction and maintenance of government buildings as well as provision of electrical and building consultancy services to the government. The department was also responsible for the allocation of grade B Government houses to public servants.

In 1992, the BD was given another role of allocating grade A government houses; a function that was being performed by the Central Establishment. Consequently, grade A and B housing allocation committees were merged to form the estate section in the BD. In 1994, the **Mramba Commission**, which was formed to review operational affairs of the Government and suggest ways of minimizing Government expenditure, recommended that the BD be transformed into a commercial Agency in order to minimize the use of Government resources. In the following year, BD started to operate commercially by charging rent to public servants housed in Government houses and fees to consultancy services provided to the Government.

TBA prepared its first five-year strategic plan after its commissioning in 2002 which was incorporated in the TBA Establishment Order of 2003. In late 2004 when reviewing the plan, the Ministerial Advisory Board (MAB) advised the management to commission a team of experts to facilitate the process of improving and updating the document (a revised Strategic Plan for 2002–2007). The second review of TBA 2002 – 2007 strategic plan was carried out in December 2006 and a new strategy (2007–2012) was rolled out in 2007.

TBA faced a number of challenges during implementation of the second strategic plan including inadequate financial and human resources and lack of organizational capacity to execute on strategies. Therefore, the current strategic plan focuses on strengthening strategic execution capability and strategies that will ensure long term sustainability of the Agency. Further, the plan incorporates some of the strategies from the previous strategic plan which are still relevant given the current environment of TBA and the needs of our customers.

## **2.2 TBA's Mandate and Governance**

TBA's mandate is articulated in the TBA Establishment Order of 2003 and it includes:

- Construction of new Government buildings;
- Maintenance of Government buildings;
- Allocation of Government houses to Public Servants;
- Selling of Government houses to Public Servants on loan basis;
- Provision of building consultancy services to the Government on all matters concerning building works;
- Leasing Government houses on commercial basis; and
- Provision of project management services for building projects.

TBA is expected to implement the Ministry of Works' policies and strategies as it delivers on the mandate. TBA's operations are governed at two different levels, i.e. the Ministerial Advisory Board and the Executive Management levels. The Ministerial Advisory Board (MAB) provides strategic guidance to TBA and advises the Minister on matters pertaining to the strategic direction of the Agency. The TBA's Top Management, consisting of TBA's Directors and led by the Chief Executive, is responsible for day-to-day management of the Agency. However, the Chief Executive who is appointed by the Minister of Works and answerable to the Permanent Secretary/MAB has sole responsibility for the performance of the Agency.








# 3 Situational Analysis

Analysis of the current environment of TBA was critical to formulation of this strategy. As such, we undertook a detailed analysis of our internal and external environment through desktop research and engagement with key internal and external stakeholders; results of the exercise summarised below formed the basis of the strategies and initiatives articulated in this strategy.




## 3.1 Internal analysis










The analysis of our internal environment focuses on past and current performance across various areas of the organization; these include Income Performance and Sustainability; Operating Efficiency; Governance and Controls Environment; Human Resource Capability; Use of Information and Communication Technology as well as Stakeholder relationship management/partnership and collaboration. From this analysis we identified key strengths and weaknesses of TBA, actions needed to maintain identified strengths and those needed to address the weaknesses. The result of this analysis is summarized in Table 1 below.






**Table 1: Summary of Strengths and Weakness**

Strengths		 Not Under Threat    Highly Under Threat	
Strength	Details	Actions to maintain	Under threat
1. Possess carpentry workshops in about 20 regions in the country	<ul style="list-style-type: none"> <li>TBA owns 20 carpentry workshops across the country which can be used to make furniture for government offices and civil servants' houses;</li> <li>However, only six (6) of the workshops are currently operational.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the capacity of workshops in order to operate effectively;</li> <li>Leverage on this strength to generate more revenue for TBA.</li> </ul>	
2. A consulting firm with all key professionals in the building industry under one agency	<ul style="list-style-type: none"> <li>TBA is one of the few firms in Tanzania with Engineers, Architects and Quantity Surveyors all in one firm.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure staff needs are met so as to retain them, especially those in the region;</li> <li>Leverage on available skills base to train/coach junior professionals (new and existing); and</li> <li>Provide training opportunities for professionals for skills development.</li> </ul>	
3. Ownership of properties in prime locations and across the	<ul style="list-style-type: none"> <li>TBA owns apartments in prime areas such as:               <ul style="list-style-type: none"> <li>Dar es salaam – commercial</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Periodically value these assets and reflect the true value of TBA in the balance sheet;</li> </ul>	



country	<p>properties nearby Ocean Road and in Oysterbay under a joint venture arrangement; apartments in Mikocheni, City Centre and Upanga;</p> <ul style="list-style-type: none"> <li>– Arusha – commercial properties by Kenyatta Road, in Sekei and by Naura Road; and</li> <li>• These and other properties within TBA's portfolio can be used as collateral to secure funding from financiers.</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain title deeds for some of the properties in prime areas inherited from the Ministry of Works; ensure TBA has a clear view of all properties across the country at all times; and</li> <li>• Ensure proper and period maintenance of all properties.</li> </ul>	
4. Regional presence	<ul style="list-style-type: none"> <li>• TBA has offices across the country that are housed in TBA's properties;</li> <li>• This is an advantage as the Agency can quickly respond to the needs of clients in those regions.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure these offices are well resourced in terms of professionals and working tools;</li> <li>• Rationalize how to efficiently utilize regional offices that are generating adequate income.</li> </ul>	
5. Upper hand in providing consultancy services to the Government	<ul style="list-style-type: none"> <li>• By its mandate, TBA is supposed to provide building consultancy services to the Government; most MDAs come to TBA for consultancy services;</li> <li>• However, this can be a liability as TBA may not be able to select projects and focus on those that can generate strategic value; for example, currently the Agency has a long tail of small projects which exerts pressure on TBA's professionals.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure high quality of service delivery to get recurrent business from key clients;</li> <li>• Strategically engage with MDAs to secure high value projects.</li> </ul>	
6. Ownership of over 2,000 plots all over the country	<ul style="list-style-type: none"> <li>• TBA has over 2,000 plots across the country. However, not all of the plots are surveyed and only a few have title deeds;</li> <li>• In some cases, plots that have not been surveyed have brought about a number of legal cases.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure all plots are surveyed and obtain title deeds;</li> <li>• Going forward, acquire surveyed plots only to minimize land disputes.</li> </ul>	

Weaknesses			
 Low Impact     High Impact			
Weakness	Details	Action to improve	Impact
1. High recurrent expenditure	<ul style="list-style-type: none"> <li>TBA has high recurrent expenditure. Its recurrent expenditure to income ratio for FY12 was 98%.</li> </ul>	<ul style="list-style-type: none"> <li>Increase emphasis on cost controls;</li> <li>Improve operating efficiency.</li> </ul>	
2. High levels of uncollected income	<ul style="list-style-type: none"> <li>Total outstanding debtors as at the end of FY12 was TZS 6.3 billion which represents 88% of Total income;</li> <li>75% of the uncollected debt pertains to consultancy fees for services rendered to Government MDAs.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a policy on management of receivables policy;</li> <li>Include a clear terms on payment in all consultancy contracts;</li> <li>Aggressively follow up on overdue debtors and take legal actions where necessary;</li> <li>Deliver high quality services and continuously build relationship with MDAs to encourage clients to pay early.</li> </ul>	
3. Lack of funding to make significant housing investment	<ul style="list-style-type: none"> <li>TBA does not generate sufficient surplus to support investment in development projects. In 2012, TBA's surplus was only TZS144 million;</li> <li>Cash is locked up in debtors – this means poor cash flow to finance operations;</li> <li>Difficulties in securing bank loans due to delays in obtaining Government guarantee.</li> </ul>	<ul style="list-style-type: none"> <li>Increase focus on operating efficiency to improve surplus margin;</li> <li>Develop feasibility study on housing development programmes in order to convince the government to provide guarantee and financiers/banks to provide funding for these programmes;</li> <li>Explore alternative sources of funds including joint venture arrangements and low interest loans from development partners.</li> </ul>	
4. Ineffective organizational structure	<ul style="list-style-type: none"> <li>Departmentalization is not aligned to strategy;</li> <li>There is long chain of command which makes decision making long;</li> <li>The span of control is unmanageable e.g. about 31 people report directly to the CE; and</li> <li>Unclear reporting lines and</li> </ul>	<ul style="list-style-type: none"> <li>Revise the organization structure to ensure alignment to the strategic plan; and</li> <li>Clearly define reporting lines and the chain of command;</li> <li>Ensure appropriate span of control/ centralization/ decentralization.</li> </ul>	






	interdependencies between departments.		
5. Inefficient processes and systems	<ul style="list-style-type: none"> <li>• Inefficient and manual processes;</li> <li>• TBA lacks an integrated information management system;</li> <li>• Lack of networking between regional offices and the headquarters.</li> </ul>	<ul style="list-style-type: none"> <li>• Streamline and automate all processes;</li> <li>• Procure and deploy an integrated information management system;</li> <li>• Provide training to staff to ensure compliance to new processes and full utilization of technologies.</li> </ul>	
6. Dependency on Government grants	<ul style="list-style-type: none"> <li>• On average, 24% of TBA's total income comes from government grants; most of it goes towards payment of salaries.</li> </ul>	<ul style="list-style-type: none"> <li>• Grow own sources of revenue in order to be self-sufficient.</li> </ul>	
7. Weak policy environment to govern TBA operations	<ul style="list-style-type: none"> <li>• A number of policies/manuals are missing – e.g. real estate management policy, Accounting Policies and Manuals, tenant administration policy, project management manuals/guidelines, property maintenance policies and ethics code and standards;</li> <li>• Non-compliance to existing policies and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the policy environment by developing policies that are lacking;</li> <li>• Ensure compliance to existing and new policies, manuals and guidelines across the Agency.</li> </ul>	
8. Inadequate number of professional staff and insufficient skills of non-managerial staff	<ul style="list-style-type: none"> <li>• There is staffing gap of over 86 staffs in the entire organization;</li> <li>• Only 14 of the regional offices have accountants;</li> <li>• There is limited number of building professionals in the Regions; and</li> <li>• More than 50% of TBA non-managerial staff have education level of diploma or less.</li> </ul>	<ul style="list-style-type: none"> <li>• Recruit staff with required skills and experience; and</li> <li>• Deploy key skills into the regions. For instance ensure all regions have an accountant.</li> </ul>	
9. Lack of clear visibility on key assets (i.e. including buildings and land)	<ul style="list-style-type: none"> <li>• TBA's assets register is not up-to-date; and</li> <li>• Not all TBA plots are surveyed and with title deeds;</li> <li>• Not all physical assets are barcoded.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously update the assets register;</li> <li>• Dedicate more human and financial resources to ensure all plots are surveyed and title deeds acquired; and</li> <li>• Ensure all assets are barcoded.</li> </ul>	

### 3.2 External Analysis




The analysis of the external environment focused on factors such as economic trends, political/policy and legal environment, population and customer trends, as well as industry/competitive environment which are likely to have an impact TBA's operations in the future. From this analysis we identified key opportunities that the Agency can take advantage of in order to grow and threats that must be mitigated in order to ensure sustainability of the Agency and its business. Table 2 below summarizes key opportunities and threats that were identified.

**Table 2: Opportunities and Threats**

<div> <b>Opportunities</b> <div> <div></div> Low Impact <div></div> <div></div> <div></div> <div></div> High Impact </div> </div>			
Opportunity	Details	Needed actions	Impact
1. High expected economic growth and per capita income growth and expected growth of the middle class	<ul style="list-style-type: none"> <li>High economic growth provides opportunity for expansion of commercial units and increase in government consultancy services; and</li> <li>Growth in per Capital Income means civil servants' salaries as well as purchasing power are likely to increase; affordability for quality houses will also increase.</li> </ul>	<ul style="list-style-type: none"> <li>Increase property portfolio; and</li> <li>Recruit more buildings consultancy professionals;</li> <li>Expand property portfolio by increasing the number of middle and high income housing units, and increasing the number of commercial properties for rent.</li> </ul>	
2. High demand for public houses in the country	<ul style="list-style-type: none"> <li>There are about 400,000 public servants in Tanzania, of which 28% have expressed interest to acquire housing; and</li> <li>TBA has served less than 3% of public servants.</li> </ul>	<ul style="list-style-type: none"> <li>Expand property portfolio by increasing the number of houses built for sale and rent to public servants.</li> </ul>	
3. Growth of the construction and real estate sector	<ul style="list-style-type: none"> <li>More firms/investors are entering into the construction and real estate business. This creates opportunities for joint ventures with private developers, pension funds and higher learning institutions, since TBA has advantage of having diverse professionals in the building industry; and</li> <li>This will also lead to reduced cost of construction of houses</li> </ul>	<ul style="list-style-type: none"> <li>Establish and manage relationships with potential joint venture partners and other partners to identify and enter into collaboration arrangements.</li> </ul>	

	<p>and cost of putting amenities in newly developed areas;</p> <ul style="list-style-type: none"> <li>• TBA's consultancy business is likely to benefit from this growth.</li> </ul>		
4. Plans of the government to move government offices to Dodoma	<ul style="list-style-type: none"> <li>• TBA has a big role to play in providing accommodation to the government;</li> <li>• Consultancy business will also grow.</li> </ul>	<ul style="list-style-type: none"> <li>• Deploy more professionals the Dodoma regional office. .</li> </ul>	
5. Government expansion into new regions	<ul style="list-style-type: none"> <li>• The government has been creating new regions and TBA is expected to open offices in those regions;</li> <li>• This implies more coverage of TBA staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Efficiently manage regional offices to curb operating expenses and generate more income.</li> </ul>	
6. East African Community (EAC) and Southern African Development Commission (SADC) blocs	<ul style="list-style-type: none"> <li>• Given that Tanzania is part of EAC and SADC trading blocs, TBA can provide consultancy services to government offices in these trading blocs and construct houses for Tanzania staff living in these trading blocs.</li> </ul>	<ul style="list-style-type: none"> <li>• Train professional staff to be able to work in an international environment as TBA is preparing to become an international real estate developer</li> </ul>	
7. Growth of Foreign Direct Investments (FDIs)	<ul style="list-style-type: none"> <li>• Growth of FDIs in the country presents an opportunity for TBA to undertake new Public Private Partnership (PPP) ventures.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish and build relationships with potential private investors with whom TBA can enter into a PPP venture with.</li> </ul>	
8. Gas explorations in Mtwara	<ul style="list-style-type: none"> <li>• Development of gas exploration activities in Mtwara creates an opportunity for TBA to develop government houses and commercial properties.</li> </ul>	<ul style="list-style-type: none"> <li>• Although gas production may not start until 2021, TBA can start preparing for the growth that is expected to occur and building the capacity of its staff and the capacity of the Mtwara regional office.</li> </ul>	

Threats			
<div> <div></div> Low Impact <div></div> <div></div> <div></div> <div></div> High Impact </div>			
Threat	Details	Actions to address	Impact
1. High interest rate and inflation environment	<ul style="list-style-type: none"> <li>High interest rate means expensive loans for both TBA and its customers, which will lead to increase in cost of construction and in price of houses thus making houses less affordable to public servants; and</li> <li>High inflation environment increases the cost of operations which can be absorbed in form of higher prices of houses, rent and consultancy fee.</li> </ul>	<ul style="list-style-type: none"> <li>Build relationship with financial institutions and get Government guarantee to enable TBA qualify for lower interest rates; and</li> <li>Increase focus on costs controls.</li> </ul>	
2. Unpredictable costs of acquiring land for development	<ul style="list-style-type: none"> <li>Cost of land is unpredictable; this makes it difficult for TBA to adequately budget for development projects.</li> </ul>	<ul style="list-style-type: none"> <li>Engage with the government to obtain affordable plots during land allotment exercises.</li> </ul>	
3. Decline in government grants to TBA	<ul style="list-style-type: none"> <li>The Government has been decreasing its financial support towards TBA.</li> </ul>	<ul style="list-style-type: none"> <li>Grow own sources of income, control expenses and explore other sources of financing TBA's housing programmes.</li> </ul>	
4. High cost of infrastructure in newly developed areas	<ul style="list-style-type: none"> <li>Newly developed areas lack infrastructure such as, electricity, water, and sanitation, which forces TBA to incur high costs in establishing the infrastructure;</li> <li>This increases the overall costs incurred in development projects.</li> </ul>	<ul style="list-style-type: none"> <li>Engage with key stakeholders responsible for infrastructure development during planning.</li> </ul>	
5. Mandate limitation	<ul style="list-style-type: none"> <li>By design, TBA's main target customers are public servants and the government with regards to sale of houses and consultancy business, respectively.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on commercial rent and other sources of income to generate income that will subsidize public housing programmes.</li> </ul>	

6. High tariffs and taxes	<ul style="list-style-type: none"> <li>• High tariffs and taxes on building materials increase the cost of building materials and consequently increases the cost of houses built.</li> </ul>	<ul style="list-style-type: none"> <li>• Request for Government to provide tax exemption on building materials and other key supplies for TBA.</li> </ul>	
7. Counterfeit building materials	<ul style="list-style-type: none"> <li>• The presence of counterfeit building materials in the market creates a risk of using substandard materials during constructions thus affecting the quality of houses built by TBA.</li> </ul>	<ul style="list-style-type: none"> <li>• Procure building materials from credible suppliers who are known to sell genuine building products;</li> <li>• Ensure requirements on standards are clearly articulated in suppliers' contracts;</li> <li>• Establish relationship with suppliers of building materials.</li> </ul>	
8. Competition from private sector	<ul style="list-style-type: none"> <li>• TBA faces competition from private consultancy firms which can also bid for Consultancy tenders advertised by the Government;</li> <li>• More firms and investors are venturing into real estate and building consultancy services thus increasing the competition.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase quality of houses built and consultancy services rendered by TBA;</li> <li>• Improve customer relationship management and customer satisfaction;</li> <li>• Improve the image of TBA.</li> </ul>	

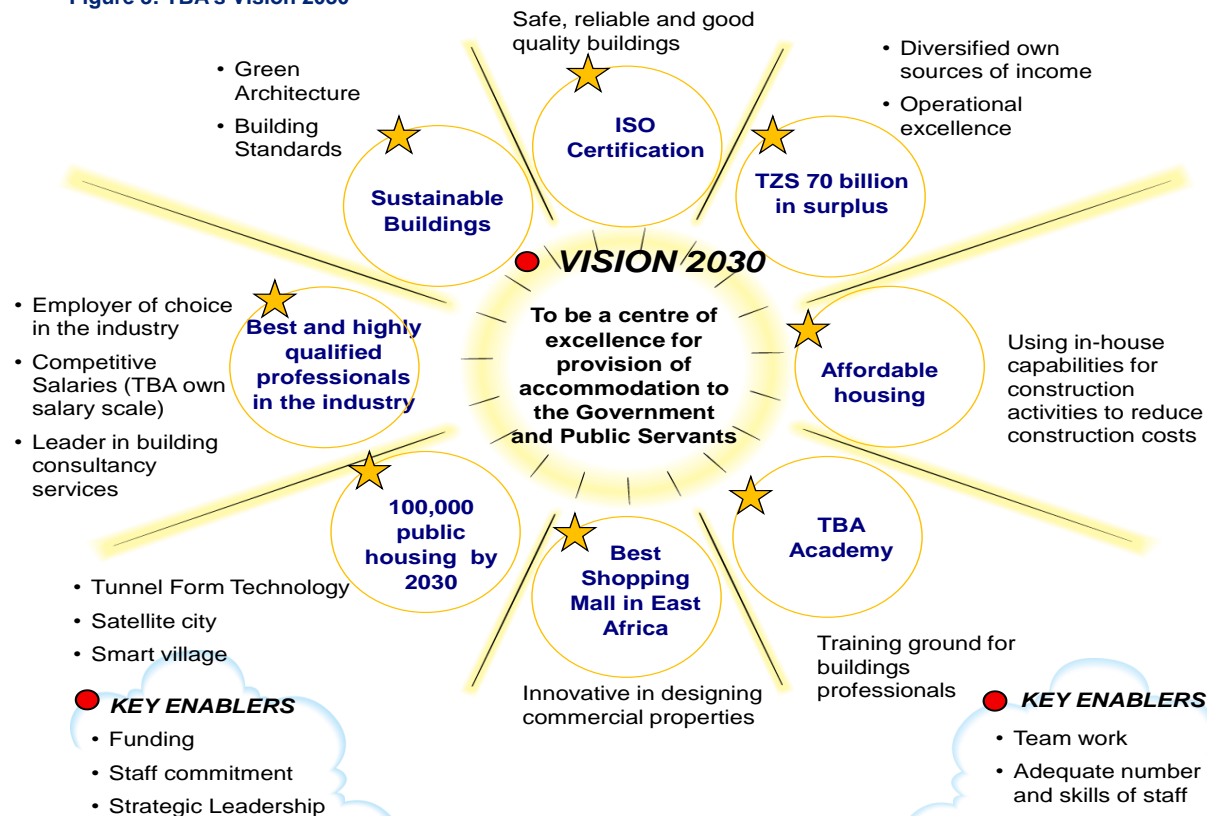
# 4 TBA Strategic Plan 2012 – 2017

## 4.1 TBA's Vision 2030

“To be a center of excellence for provision of accommodation to the Government and Public Servants”

During the strategic planning process, The TBA management revisited its vision and defined a new vision to 2030. This *Third Strategic Plan (2012–2017)* is the first building block towards realizing our new Vision 2030. TBA's envisioned future is further illustrated in Figure 3.

Figure 3: TBA's Vision 2030





## 4.2 Overview

TBA's strategy to 2017 is focused around ten (10) strategic objectives as highlighted below; key performance indicators (KPIs) and annual targets for each strategy have been articulated in Table 4 to 7 in following sections:

1. Grow own source income from TZS 4.9 billion in FY12 to TZS 162 billion by FY17;
2. Effectively manage costs and achieve a total expenditure to total income ratio of 73% by FY17;
3. Provide affordable and quality accommodation to public servants and the Government;
4. Grow the portfolio of commercial rental properties;
5. Improve customer satisfaction and attain a customer satisfaction level of 95% by FY17;
6. Improve management of public servants houses, government and commercial properties, and ensure public buildings adhere to set standards and specification;
7. Improve operational efficiency;
8. Enhance the governance environment by FY17;
9. Attract, develop and retain competent staff; and
10. Increase use of ICT within the Agency.

**Table 3: Financial Objectives – Key Performance Indicators and Annual Targets**

Strategic Objective	Strategies	Measures	FY12 (Actual)	FY13	FY14	FY15	FY16	FY17	Responsible Person
1. Grow own source income from TZS 4.9 billion in FY12 to TZS 162 billion by FY17	1.1 Grow income from houses sold and rented to public servants to TZS 111.5 billion and TZS 0.8 billion respectively by FY17	Income from sale of houses (TZS Billion)	-	-	90.9	97.3	104.1	111.5	Director of Real Estate and Regional Managers
		Public rent income (TZS Billion)	0.1	0.5	0.3	0.4	0.6	0.8	Director of Real Estate and Regional Managers
	1.2 Grow income from commercial rental properties to TZS 28.7 billion by FY17	Commercial rent income (TZS Billion)	1.9	6.2	15.2	20.7	26.1	28.7	Director of Real Estate and Regional Managers
	1.3 Grow consultancy income from TZS 2.5 in FY12 to TZS 20 billion by FY17	Total Consultancy Income	2.5	5	6.5	10	15	20	Director of Consultancy and Regional Managers
		Percentage of consultancy projects with fees exceeding 500 million per year		2%	5%	10%	15%	20%	
	1.4 Grow income from other sources from TZS 0.35 billion in FY12 to TZS 1 billion by FY17	Income from sale of furniture (TZS Billions )	-	0.05	0.1	0.25	0.35	0.5	Regional Managers
		Income from other sources	0.4	0.5	0.4	0.4	0.5	0.5	Director of Business Support and Regional Managers
2. Effectively manage costs and achieve a total expenditure to total income ratio of 71% by FY17	2.1 Improve controls/management of construction costs	Gross profit margin	N/A	N/A	29%	34%	38%	41%	Director of Real Estate and Regional Managers
	2.2 Manage/reduce operating costs	Expenditure to income ratio	98%	73%	83%	79%	75%	73%	All Directors and Regional Managers

**Table 4: Customer/Stakeholder Objectives – Key Performance Indicators and Annual Targets**

Strategic Objective	Strategies/Strategic actions	Measures	FY12 (Actual)	FY13	FY14	FY15	FY16	FY17	Responsible Person
3 Provide affordable and quality accommodation to public servants and the Government	3.1 Construct 10,000 housing units by FY17	Number of houses constructed			2,500	2,500	2,500	2,500	Director of Real Estate and Regional Managers
	3.2 Construction of government offices in various regions	Number of government offices built			5	9	15	23	Director of Real Estate and Regional Managers
4 Growth the portfolio of commercial rental properties	4.1 Grow the property portfolio from 1100 units to 2281 units by FY17	Number of commercial properties rented	1,100	1,100	1,177	1,227	1,277	1,327	Director of Real Estate and Regional Managers
5 Improve customer satisfaction and attain a customer satisfaction level of 80% by FY17	5.1 Carry out customer segmentation exercise to tailor products and services	Customer Satisfaction index for all customer segments	-	50%	60%	75%	85%	95%	Director of Real Estate, Director of Consultancy and Regional Managers
	5.2 Enhance customer and stakeholder relationship management								
6 Improve management of public servants houses, government and commercial properties, and ensure public buildings adhere to set standards and specification	6.1 Improve quality of buildings	Compliance to buildings standards and specifications		70%	85%	90%	95%	100%	Director of Real Estate and Regional Managers
		Customer Satisfaction index for all customer segments	-	50%	60%	75%	85%	95%	Director of Real Estate and Regional Managers
	6.2 Quality assurance of public buildings	Percentage of public buildings inspected by TBA	-	-	60%	75%	85%	95%	Director of Real Estate and Regional Managers

**Table 5: Internal Processes Objectives - Key Performance Indicators and Annual Targets**

Strategic Objective	Strategies	Measures	FY12 (Actual)	FY13	FY14	FY15	FY16	FY17	Responsible Person
7 Improve operational efficiency	7.1 Improve and streamline internal processes and procedure	Process reengineering conducted by Dec 2014				✓			All Directors and Regional Managers
	7.2 Outsource some functions to improve speed of service delivery	Customer satisfaction index	-	50%	60%	75%	85%	95%	All Directors and Regional Managers
		Percentage reduction in number of complaints	-	-	30%	50%	65%	70%	All Directors and Regional Managers
	7.3 Improve efficiency in collection of debt	Receivable turnover (days)	316	200	150	100	90	60	All Directors and Regional Managers
		Percentage of overdue debts recovered	-	10%	20%	40%	50%	60%	
8 Enhance the governance environment by FY17	8.1 Develop and ensure compliance to internal policies, guidelines and manuals for all operations	All internal policies/guidelines/manuals are in place rolled out/implemented by the end of FY15				✓			All Directors and Regional Managers
	8.2 Enhance organizational structure effectiveness and alignment to TBA's new vision and strategy	Organizational structure reviewed by December 2013			✓				Director of Business Support

**Table 6: Learning and Growth Objectives - Key Performance Indicators and Annual Targets**

Strategic Objective	Strategies/Strategic actions	Measures	FY12 (Actual)	FY13	FY14	FY15	FY16	FY17	Responsible Person
9 Attract, Develop and Retain competent personnel	9.1 Improve recruitment effectiveness	Staff engagement and satisfaction index		-	50%	65%	70%	85%	All Directors and Regional Managers
		Professional staff retention ratio		80%	85%	95%	95%	95%	All Directors and Regional Managers
		Staff productivity (TZS million)	20	45	320	416	431	458	All Directors and Regional Managers
	9.2 Undertake a detailed skills audit to assess staff development needs	Skills audit completed by FY14			✓				Director of Business Support and Regional Managers
		Existence and implementation of skills development plan			✓	✓	✓	✓	Director of Business Support and Regional Managers
	9.3 Increase emphasis on people/talent development	Percentage of staff trained in various disciplines	46%	50%	55%	60%	65%	70%	Director of Business Support and Regional Managers
	9.4 Establish a performance – based culture	Staff productivity (TZS million)	20	45	320	416	431	458	All Directors and Regional Managers
	9.5 Increase focus on the health and welfare of staff	Staff satisfaction index on the quality of the health and welfare programme	N/A	50%	60%	70%	80%	85%	Director of Business Support and Regional Managers
		Number of staff housed by TBA	-	60%	70%	80%	90%	100%	Director of Business Support and Regional Managers

Strategic Objective	Strategies/Strategic actions	Measures	FY12 (Actual)	FY13	FY14	FY15	FY16	FY17	Responsible Person
10. Increase use of ICT within the Agency	10.1 Ensure availability and full utilization of appropriate hardware and software	Percentage of professional staff with computers			50%	70%	90%	100%	Director of Business Support and Regional Managers
		Enterprise Resource Management System procured and implemented			√				Director of Business Support and Regional Managers
		Required network infrastructure in place			√				Director of Business Support and Regional Managers
	10.2 Increase use of ICT for communication	Percentage of staff with and effectively using their official emails for official communications			50%	70%	90%	100%	All Directors and Regional Managers
		TBA's website is up to date and fully functional			√	√	√	√	Director of Business Support and Regional Managers

## 4.3 Detailed description of Strategic Objectives

### 4.3.1 Financial Objectives

<b>Strategic Objective</b>	<b>1. Grow own source income from TZS 4.9 billion in FY12 to TZS 162 billion by FY17</b>
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<b>Strategy</b>	<b>1.1. Grow income from houses sold and public rental income to TZS 111.5 billion and TZS 0.8 billion respectively by FY17</b>
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Key activities

We will **construct more affordable/social houses for sale and rent to public servants**; we do not expect to generate windfall surplus from this target group, but we plan to operate based on business principles (pricing houses for sale and rent optimally) in order to cover construction and operating costs. Key activities include:

- 1.1.1. Sell 1,750 houses to public servants each year;
- 1.1.2. Price houses for sale appropriately so that to recover all costs incurred including financing costs;
- 1.1.3. Rent 750 new houses to public servants each year; and
- 1.1.4. Review rent once in every two years.

<b>Strategy</b>	<b>1.2. Grow income from commercial rental properties to TZS 28.7 billion by FY17</b>
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Key activities

We plan to growth the **commercial rental business to a TZS 28.7 billion business by FY17**. Currently we have two high quality Joint Venture complexes (Chimala and Chole Road Buildings) located in Dar es salaam and other commercial buildings across the country that generate a total of TZS 1.9 billion a year. Key activities to be conducted include:

- 1.2.1. Increase TBA's share of in the joint venture complexes from 25% to at least 50%;
- 1.2.2. Grow the commercial property portfolio;
- 1.2.3. Effectively assessing market rents in order to align TBA's rent rates with changes in the market place;
- 1.2.4. Identify opportunities to construct or acquire units in profitable niches such as high end apartments, retail shops and office spaces;
- 1.2.5. Improve commercial rent and ensure TBA's rent is not less than 90% of market rates;
- 1.2.6. Periodically rationalize public tenant mix to understand their income levels/price sensitivity, needs, what they value and offer them appropriate/relevant housing units and rent rates; and
- 1.2.7. Align rent pricing with value to tenants and rent will be charged in line with value offered.

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<b>Strategy</b>	<b>1.3. Grow consultancy revenue from TZS 2.5 billion in 2012 to TZS 20 billion by FY17</b>
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Key activities

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|--------|---|
| 1.3.1. | Improve quality of consultancy services: use modern equipment/technology; apply appropriate building standards; and ensure effective drafting and execution consultancy contracts;  |
| 1.3.2. | Outsource non-core activities/specialized work to sub-contractors and ensure existence and execution of Service Level Contracts (SLCs) with sub-contractors. Examples of non-core activities to be subcontracted include, security services, cleaning services and debt collection;   |
| 1.3.3. | Increase focus on high value projects by increasing the proportion of high value projects to 20% by FY17;   |
| 1.3.4. | Establish a business development team to focus on generating new consultancy and developing/maintaining the relationship with potential and current clients;  |
| 1.3.5. | Strengthen consultancy fees: <ul style="list-style-type: none"><li>– Revise our pricing strategy and have a mix of percent-based and time-based pricing strategy;</li><li>– Increase emphasis on differentiated services and services innovation in order to offer customers high value and therefore fetch higher fees;</li><li>– Conduct research/study in order to improve understanding of market pricing dynamics; and</li><li>– Segment clients and increase emphasis on differentiated pricing across client segments or services.</li></ul> |
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<b>Strategy</b>	<b>1.4. Grow revenue from other sources from TZS 0.35 billion to TZS 1 billion by FY17</b>
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Key activities

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TBA has about 20 carpentry workshops through-out the country. With the increasing construction activities there will be increase in demand for furniture. To capitalize on this trend, TBA will revive the carpentry workshops starting with the ones that are likely to be more profitable.

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|--------|---|
| 1.4.1. | Conduct a feasibility study for the furniture business;                         |
| 1.4.2. | Operationalise carpentry workshops that have potential of being profitable; and |
| 1.4.3. | Recruit people to manage the carpentry workshops.                               |
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<b>Strategic Objective</b>	<b>2. Effectively manage costs and achieve a total expenditure to total income ratio of 73% by FY17</b>
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<b>Strategy</b>	<b>2.1. Improve controls/management of construction costs</b>
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Key activities

Effectively managing construction costs will help TBA achieve better surplus margins on houses sold. The cost of real estate construction is composed of four components: land cost, construction installation cost (most of which relates to materials cost) the most; cost for equipment and machines; and other costs. To control costs TBA will do the following:



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- 2.1.1. Establish a unit to control costs during the process of design, construction of buildings, supervision of buildings, and management of rental properties;
  - 2.1.2. Emphasize on designs, be strict on design changes and regulate procedures for design changes. This will be important when using the Tunnel Form technology for construction;
  - 2.1.3. Strengthen contract management and closely supervise subcontractors and external workers;
  - 2.1.4. Procure building materials locally and in areas close to the construction site;
  - 2.1.5. Use TBA building brigade for construction activities; and
  - 2.1.6. Put in place an incentive mechanism for cost reduction.
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**Strategy**                      **2.2. Manage/reduce recurrent costs**

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Key activities

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Recurrent costs/expenditures is mostly a result of how efficient organizational process are procedures are. Improving processes and procedures is further detailed under the Internal Processes objectives. To manage operation costs TBA will do the following:

- 2.2.1. Optimize internal processes and procedures;
  - 2.2.2. Review procurement procedures and examine possible areas for reducing costs;
  - 2.2.3. Review and analyse the existing base of suppliers to reveal opportunities for reducing costs by consolidating purchases for additional buying power and reduction of administrative expenses;
  - 2.2.4. Negotiate with current suppliers for better pricing and consider proposals from alternative suppliers to lower costs;
  - 2.2.5. Assign a team of employees to analyse an expense category to identify areas of expense reduction;
  - 2.2.6. Where necessary, hire a consultant to perform an operational audit of purchasing processes, negotiate with suppliers, and implement cost savings recommendations;
  - 2.2.7. Conduct controlled and need-based recruitment – massive recruitments results into a heavy organization structure and prove unaffordable in the long run; and
  - 2.2.8. Put in place a mechanism for rewarding staff for participation in the effort to reduce operational expenses.
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#### 4.3.2 Customer/Stakeholder Objective

<b>Strategic Objective</b>	<b>3. Provide affordable and quality accommodation to public servants and the Government</b>
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<b>Strategy</b>	<b>3.1. Construct 10,000 housing units by FY17</b>
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##### Key activities

Securing cheap funding for this is highly critical to getting this project completed. Further, having the right structure, processes and qualified people are other imperatives of this project. TBA intends carry out the following activities:

- 3.1.1. Conduct a detailed feasibility study of the project;
- 3.1.2. Obtain funding from financial institutions;
- 3.1.3. Engage with the Government to obtain loan guarantees;
- 3.1.4. Enter into partnership arrangements with institutions such as Pension Funds in order to obtain funding for construction;
- 3.1.5. Engage with Development/Investment Partners to secure funding for projects;
- 3.1.6. Acquire land for the construction of houses;
- 3.1.7. Procure the Tunnel Form Technology which will enable TBA to build good quality houses within a short time;
- 3.1.8. Embed Green Architecture in units being constructed;
- 3.1.9. Conduct detailed market research in order to rationalize sale/rent mix of houses constructed;
- 3.1.10. Strategically engage with suppliers of materials and services in order to reduce the cost of construction; For instance
  - Enter into exclusive agreements for sourcing of materials and create focus on local sourcing of materials. Where necessary procure materials in bulk from outside the country; and
  - Engage with suppliers of infrastructure e.g. TANESCO, DAWASCO early in advance so that they are able to deliver required infrastructure on time.
- 3.1.11. Engage with the government to obtain support such TAX exemptions on construction materials;
- 3.1.12. Liaise with financial institutions, such as banks and pension funds, in order to negotiate an affordable interest rate for mortgages to public servants; and
- 3.1.13. Work with the Government to develop a national policy that is supportive of affordable housing.

<b>Strategy</b>	<b>3.2. Construction of government offices and leaders houses in 25 regions</b>
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##### Key activities

Construction of government offices is important in ensuring that government MDAs are well accommodated in offices with sufficient space, appropriate facilities and good working environment to enable them to better carry out their duties. We will also construct houses for Government leaders to ensure that leaders are housed in good quality houses. We intend to carry out the following activities to

meet this strategy:

- 3.2.1. Identify regions for construction of government offices and leaders houses;
- 3.2.2. Engage with Local Government Authorities in the regions and districts where TBA intends to construct government offices and leaders houses;
- 3.2.3. Procure materials and equipment required for construction of government offices and leaders houses;
- 3.2.4. Construct office buildings in the new regions;
- 3.2.5. Construct 23 office block in selected regions and districts; and
- 3.2.6. Construct 250 houses for government leaders in selected regions and districts.

<b>Strategic Objective</b>	<b>4. Grow the portfolio of commercial rental properties</b>
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<b>Strategy</b>	<b>4.1. Grow the property portfolio from 1100 units to 1327 units by FY17</b>
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Key activities

We will capitalize on the high demand for office and retail space by increasing the portfolio of office and retail units. In addition, we will also capitalize on the demand for high end apartments by entering into joint ventures for construction and management of the same.

- 4.1.1. Continue to pursue joint venture arrangements and ensure better terms;
- 4.1.2. Increase our share of apartment units in the joint venture projects from the current 25% to 50%;
- 4.1.3. Focus on profitable property classes such as retail units, offices space and high end apartments;
- 4.1.4. Construct “TBA Towers” in prime regions, which will contain offices for commercial rent; and
- 4.1.5. Continuously assess market needs through periodic market research to ensure that developed products are aligned to market needs.

<b>Strategic Objective</b>	<b>5. Improve customer satisfaction and attain a customer satisfaction level of 95% by FY17</b>
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<b>Strategy</b>	<b>5.1. Carry out customer segmentation exercise to tailor products and services</b>
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Key activities

Properly segmenting public servants, commercial rent customers and consultancy clients will help us ensure that we offer products and services that are aligned to the needs of customers. Specifically, the following activities will be conducted:

- 5.1.1. Determine new customers that can be targeted;
- 5.1.2. Identify creditworthy tenant/client segments and differentiate credit treatment of tenant/client segments;
- 5.1.3. Identify price sensitive and price insensitive customers and apply different pricing strategies for these customer segments;

- 5.1.4. Identify what customers value and tailor products and services accordingly;
- 5.1.5. Determine customer satisfaction levels for each of the customer segments; and
- 5.1.6. Tailor relationship management approaches to different customer segments.

## **Strategy 5.2. Enhance customer and stakeholder relationship management**

### **Key activities**

Proper and continuous customer and stakeholder relationship management is crucial in meeting the specific needs of customers, identifying new business opportunities and allowing for repeated business with existing customers/clients.

- 5.2.1. Establish a computerized mechanism for continuous monitoring of maintenance of TBA housing units;
- 5.2.2. Establish and implement a feedback mechanism for continuously measuring and analyzing clients' accommodation satisfaction;
- 5.2.3. Conduct short courses in real estate management, project management, entrepreneurship and customer care;
- 5.2.4. Establish a business development team/structure to focus on acquiring new consultancy jobs and maintaining relationship with clients.

## **Strategy 5.3. Create focus on marketing of TBA's products and services**

### **Key activities**

Marketing is crucial to creating awareness of our products and services, increasing TBA's visibility in the market and increasing sales opportunities. Marketing is especially important for commercial properties where the competition is high.

- 5.3.1. Develop and implement a comprehensive marketing plan for all TBA's products and services;
- 5.3.2. Market TBA's pre-developed public servants houses to allow for interested buyers to prepare themselves financially, well in advance;
- 5.3.3. Market TBA's commercial properties from pre-development stage to completion stage;
- 5.3.4. Improve marketability of TBA's properties by ensure alignment of property types to market needs; and
- 5.3.5. Utilize TBA website as a marketing tool and participate in trade fairs and exhibitions.

**Strategic Objective 6. Improve management of public servants houses, government and commercial properties, and ensure public buildings adhere to set standards and specification**

## **Strategy 6.1. Improve quality of buildings**

### **Key activities**

The mandate of TBA is to be the custodian of government buildings and provide quality accommodation for public servants. Our focus will therefore be on ensuring that we construct quality buildings and create focus on properly maintaining buildings and public houses at all times. Activities to

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be conducted include:

- 6.1.1. Develop and implement a Government Real Estate Management policy by FY14; the policy should stipulate the frequency of conducting preventative maintenance and criteria for maintenance;
- 6.1.2. Develop and implement an internal real estate management policy for management of commercial properties;
- 6.1.3. Set and use standards for quality and buildings specifications/standards by FY14;
- 6.1.4. Ensure use of genuine and durable building materials which require low maintenance;
- 6.1.5. Carry out regular preventative maintenance services on public servants houses, government buildings and commercial properties;
- 6.1.6. Continuous rehabilitation and maintenance of government buildings. In particular, maintain 120 leaders' houses each year, and rehabilitate government offices and workshops;
- 6.1.7. Equip staff with modern equipment such as cars to be used when visiting maintenance sites; and
- 6.1.8. Outsource key maintenance tasks for commercial properties.

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## **Strategy**

## **6.2. Quality Assurance of Public Buildings**

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### **Key activities**

With increasing construction activities in Tanzania and mainly in cities like Dar-es-salaam, and given the incidences of the collapse of buildings, there is a need to provide quality assurance to public buildings. We will undertake the following activities:-

- 6.2.1. Inspect public buildings to ensure buildings standards and specifications have been adhered to; and
  - 6.2.2. Provide certification for buildings which have met all the required standards and specifications.
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#### 4.3.3 Internal Processes Objectives

<b>Strategic Objective</b>	<b>7. Improve operational efficiency</b>
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<b>Strategy</b>	<b>7.1. Improve and streamline internal processes and procedures</b>
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Key activities

- 7.1.1. Undertake a detailed review of all processes within TBA to identify key gaps given current/potential customer needs and TBA's new vision and strategy;
- 7.1.2. Redesign new processes by addressing identified gaps;
- 7.1.3. Implement new processes through ensuring key processes have owners and staff are well trained on new processes; and
- 7.1.4. Give Directors and Managers more power to approve documentation.

<b>Strategy</b>	<b>7.2. Outsource some functions to improve quality and efficiency in service delivery</b>
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Key activities

To be able to meet the needs of our customers and improve customer satisfaction we must seek alternative ways of delivering services e.g. outsourcing some functions such as property management/maintenance and consultancy services:

- 7.2.1. Outsource some of the property management/maintenance tasks and closely monitor performance to ensure quality and timely delivery of maintenance services; and
- 7.2.2. Outsource extra workload (for consultancy services) to sub-contractors and ensure existence and execution of Service Level Contracts (SLCs).

<b>Strategy</b>	<b>7.3. Improve efficiency in debt collection</b>
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Key activities

High outstanding debts threaten the sustainability of the Agency. Therefore, we intend to put in place processes for improving efficiency in collection of debts:

- 7.3.1. Use diversified methods of following up on debts. Use e-mails, phone calls and text messages for regular follow ups. For chronic debts, do in person follow ups as well. In some cases, involve debt collectors;
- 7.3.2. Terminate contracts with longstanding debtors and reject contracts for non-eligible clients;
- 7.3.3. Enter into a contract with tenants to authorize a standing bank order for rental payments. This will allow rents to be deducted from tenants accounts as soon as they receive their monthly salaries;
- 7.3.4. Prioritize debt collection by starting with debtors who have high debts and those who are likely to pay;
- 7.3.5. Closely monitor unpaid and overdue debtors;
- 7.3.6. Develop relationship with clients and customers so that they can give priority to paying TBA for

goods or services rendered; and

- 7.3.7. Create awareness campaigns on the importance of real estate consultants and the importance of prompt payments.

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<b>Strategic Objective</b>	<b>8. Enhance the governance environment by 2017</b>
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<b>Strategy</b>	<b>8.1. Develop and ensure compliance to internal policies, guidelines and manuals for all operations</b>
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Key activities

- 8.1.1. Develop and effectively implement the following TBA-specific policies/guidelines/manuals by 2014:

- Financial Management Policy and Manual;
- Policy to guide the management of receivables and payables;
- Real estate management policy to guide the management of all government houses and buildings within and outside the country;
- Human Resource Policy and Manual;
- Ethics Code and Standards/Anti-corruption rules; and
- Tenant Administration Policy and Guidelines.

For a list of all the policies to be developed please refer to the Appendix II.

- 8.1.2. Established a focused sensitization programme to ensure that all new and existing policies/rules/guidelines/manuals are well understood and fully implemented;
- 8.1.3. Appoint a compliance officer/champion by the end of 2013 whose role will be to ensure the management/staff comply to set policies, guidelines and manuals.

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<b>Strategy</b>	<b>8.2. Enhance organizational structure effectiveness and alignment to TBA's new vision and strategy</b>
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Key activities

- 8.2.1. Clearly define the top/high level organizational structure – define key departments and units and ensure better linkages between departments/units and appropriate level of span of control;
- 8.2.2. Develop the tactical level organizational structure – i.e. grouping of key processes and activities in order to determine key roles under each department;
- 8.2.3. Clearly define the roles and responsibilities for each position and interdependencies between roles;
- 8.2.4. Implement the new structure through communicating new structure and roles, building required skills sets and recruiting where there is gap; and
- 8.2.5. Establish valuation section within property management section.
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#### 4.3.4 Learning and Growth Objectives

<b>Strategic Objective</b>	<b>9. Attract, develop and retain competent staff</b>
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<b>Strategy</b>	<b>9.1. Improve recruitment effectiveness</b>
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Key activities

- 9.1.1. Engage more with the President's Office–Public Service Management to ensure skills needs of TBA are taken into consideration during the recruitment process;
- 9.1.2. Participate fully in the President's Office–Public Service Management recruitment committee;
- 9.1.3. Liaise with the Government/President's Office–Public Service Management to have more recruitment processes managed with TBA;
- 9.1.4. Develop a detailed recruitment plan based on skills audit report and redesigned organizational structure; and
- 9.1.5. Use findings of detailed analysis of staffing needs as a basis for recruitments.

<b>Strategy</b>	<b>9.2. Undertake a detailed skills audit to assess staff development needs</b>
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Key activities

- 9.2.1. Conduct a skills audit exercise to assess available skills set against the skills required by the Agency to deliver on the mandate and determine the skills gap;
- 9.2.2. Develop a development plan for each staff based on skills gap identified; and
- 9.2.3. Develop a comprehensive competence framework that clearly defines required competencies for each position within TBA; this will be the basis for evaluating performance of staff and future staff development plans.

<b>Strategy</b>	<b>9.3. Increase emphasis on people/talent development</b>
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Key activities

Based on the skills audit exercise, we will develop a skills development plan for each staff which will be incorporated in their career plan. Training of staff will increase staff's opportunities for career growth. By 2017, TBA expects to have trained at least 95% of the employees in various disciplines:

- 9.3.1. Execute training plan for each staff;
- 9.3.2. Ensure key skills such as project management, financial management and reporting as well as customer service are continuously developed/enhanced; Ensure project managers obtain project management certification;
- 9.3.3. Establish a **TBA Academy** – absorb young professionals from reputable university and take them through a robust on job and class room training programme;
- 9.3.4. Facilitate local and international knowledge exchange for professional staff with reputable organizations engaging in business similar to TBA's;
- 9.3.5. Facilitate registration of professional staff to relevant bodies; and
- 9.3.6. Establish and effectively implement a robust induction programme.



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<b>Strategy</b>	<b>9.4. Establish a performance-based culture</b>
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Key activities
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- 9.4.1. Establish a performance management calendar with clear dates for goal setting and performance review sessions;
  - 9.4.2. Hold goal setting discussions at the beginning of each year between supervisor and subordinate and link goals to strategic objectives/strategies;
  - 9.4.3. Carry out performance reviews at mid and end of the year;
  - 9.4.4. Provide training to managers and employees on performance management (OPRAS); training/refresher course will be carried out for all staff at least once a year.
  - 9.4.5. Engage with the government Establish a reward system (monetary and non-monetary) which is based on performance; and
  - 9.4.6. Establish own salary scale and reward system that is linked to performance in order to motivate staff and stay competitive in the job market.
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<b>Strategy</b>	<b>9.5. Increase focus on the health and welfare of staff</b>
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Key activities
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The health, safety and well-being of our workforce are essential elements of a successful and sustainable TBA. We will carry out the following activities to implement this strategy:

- 9.5.1 Provide medical support and care to all staff including HIV-infected staff;
  - 9.5.2 Provide nutrition allowance to HIV-infected staff to enable them to have a balanced diet;
  - 9.5.3 Carry out sensitization workshops on the basics of HIV/AIDS, adverse effects of stigmatization, support available to TBA staff etc.; Train peer educators and use them for sensitization workshops;
  - 9.5.4 Establish a system that ensures confidentiality of the employees' information on their health issues (data privacy) in order to encourage more staff reveal their HIV/AIDS status;
  - 9.5.5 Provide housing to TBA staff;
  - 9.5.6 Provide guarantee to staff to acquire low interest car loans from financial institutions;
  - 9.5.7 Have office buses to provide transport to TBA staff to and from the office.
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<b>Strategic Objective</b>	<b>10. Increase use of ICT within the Agency</b>
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<b>Strategy</b>	<b>10.1. Ensure availability and full utilization of appropriate hardware and software</b>
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Key activities
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- 10.2.1 Procure and implement an appropriate Enterprise Resource Planning (ERP) System that integrated all functions including finance, HR, real estate and consultancy.
- 10.2.2 Procure high performance and durable computers for all staff;
- 10.2.3 Procure and/or update all necessary software for professional staff;

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- 10.2.4 Install a server/intranet for storage and sharing of information between offices;
  - 10.2.5 Ensure availability of a data back-up infrastructure;
  - 10.2.6 Integrate computer networking infrastructure for HQ and regional offices using the Metropolitan Area Network (MAN) and Wide Area Network (WAN); and
  - 10.2.7 Provide staff with adequate training on utilization of available hardware and software.
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**Strategy**                      **10.2. Increase use of ICT for communication**

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Key activities

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- 10.2.8 Emphasize use of electronic communication to improve efficiency – ensure all staff have and use official email addresses;
  - 10.2.9 Establish a central repository all critical data/information that can be seamlessly shared by across the Agency;
  - 10.2.10 Finalize the designing of TBA's website and ensure that the website is up to date and fully utilized as a key communication channel to external stakeholders.
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# 5 Strategy Implementation Plan

From our experience in implementing parts of the previous Strategic Plan (2007–2012), we realized that a number of initiatives were not undertaken due to inadequate funding and execution capability. In addition, strategic performance targets were not clearly articulated, as a result, it was difficult to track performance year on year. During implementation of this new strategy, we will ensure that the TBA-wide strategy is clearly defined at directorate level and individual levels. This will help to set the stage for implementation by ensuring that staff understands what is expected of them.

- **Agency-Level targets:** This strategy document contains strategies, activities and targets set at Agency level. The CE who is the owner of the overall TBA strategy will ensure that these corporate level strategies and targets are cascaded to each directorate/Director and regional managers.
- **Directorate/Regional-Level:** The Agency-level strategies will be broken down to directorate/regional level with detailed activities indicating how each directorate/region will support the implementation of the strategy. Directors/Regional Managers of each Directorate/Regional will be owners of goals and activities set at this level. Departmental/Regional objectives, strategies and goals will be communicated to the Heads of Sections/Chiefs. Development of Directorate level strategies should involve departmental staff in order to ensure ownership of these strategies. The departmental strategy session will take place in the form of discussion groups/meetings with department staff.
- **Individual Level targets:** This will require the managers/supervisors to spend time with their subordinates to define career targets which are linked to departmental targets. These targets will be articulated in the OPRAS forms.

## 5.1 Strategic Leadership and Governance

Strategic leadership plays an important role in bridging the gap between strategy and execution of the strategy. For successful implementation of the strategy the Management of TBA will remain committed to lead and support implementation efforts by ensuring that change is well managed from the top; decisions and actions are well coordinated; and actions and decisions of the Management are consistent with the Agency's objectives, values and priorities. In particular, the Management led by the CE will undertake following:

- Ensure that goals are clarified for every employee;
- Introduce the changes needed for the Agency's growth and development;
- Develop leadership abilities of managers;
- Develop appropriate organisational climate including values, beliefs and norms that are shared across the Agency;
- Develop a motivational system; and

- Develop and maintain relations with external stakeholders.

The Ministerial Advisory Board (MAB) will coach and support the Management of TBA on the implementation of the strategy. In every MAB meeting, the Board will focus on key strategic results/key performance indicators to hold the management accountable to commitments made. The Board will also actively support the Management's efforts to interact with selected stakeholders such as Government and business partners. Selling the strategy to key stakeholders will be at the heart of the Ministerial Advisory Board's function.

## **5.2 Employees' involvement and effective communication**

For effective implementation to happen, one in which outcomes match and even exceed goals, it is important to make sure that the strategic plan is well communicated to all employees and ensure that each employee understand their role in the implementation plan. The first communication exercise will take place when the strategy is defined at departmental and individual level. Further, the Management will ensure that the plan is frequently communicated to TBA's staff and presented in a language and form that is easy to be understood by all staff. Simple benchmarks will be developed to help employees contextualise the strategy and understand the timeframe for its implementation and what their contribution to successful execution of the strategy will be.

In addition, ensuring that the right employees are in the right positions with the right training will be fundamental to successful implementation. The Management of the Agency will make sure that TBA's employees receive the right training and resources and provide them with change management. The Management will also create energy that is focused on the Agency's priority goals and make sure that incentives are aligned with employees' actions. We will also ensure performance reviews, salary adjustments, and bonus payments to recognize performance are undertaken throughout the strategy implementation period.

## **5.3 Monitoring and Evaluation**

A formal way of evaluating and monitoring the outcomes of the strategy will be applied to track the planned activities. The Management of the Agency will ensure that management meetings are also focused on strategic discussions – encouraging interactive communication and maintain leadership's commitment to the strategy. Management will also emphasise continual improvement in processes and employee learning and assess financial impact on performance. The evaluation of the TBA Strategic Plan will aim at:

- Justifying the use of resources;
- Assessing the reasons for success or failure of specific aspects of the Strategic Plan;
- Assessing whether the Strategic Plan is achieving set objectives;
- Finding out whether the effects of the Strategic Plan are contributing to a better fulfilment of the mission of TBA;
- Assessing the adequacy of resources being mobilized to implement the plan;

- Determining whether available resources are being utilized efficiently to achieve the objectives of the plan;
- Determining whether the process of corporate strategic planning and implementation has serious problems.

Further, monitoring and evaluation of the strategic plan will be done at three levels:

- **Agency-level:** Overall performance of the Agency will be evaluated biannually using input from monitoring and evaluation at directorate/regional level;
- **Directorate/Regional-level:** Performance of directorates and regions will be monitored and evaluated monthly, where each directorate/region will assess its performance against set goals and present results in the management meetings;
- **Individual-level:** Performance of individuals in implementing activities and meeting individual goals linked to the strategic plan will be monitored twice a year, mid-year and end-of-year. Performance management tool to be used will be OPRAS forms.

As Figure 4 below illustrates, implementation will also be done by focusing on quick wins to realise some benefits quickly while continue to build capability to execute other strategies. These are initiatives that are expected to realise benefits within six months to one year of strategy implementation.

**Figure 4: Quick wins to be implemented within 6 months to 1 year of strategy execution period**

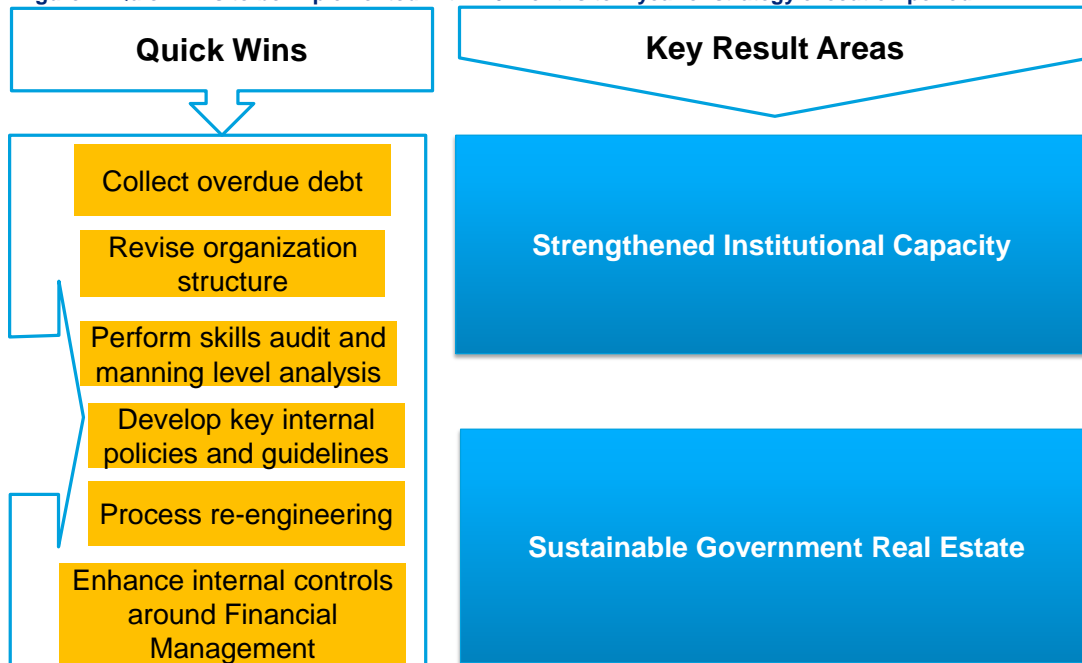


Table 7 below outlines the implementation plan for the various strategic objectives, strategies and activities.

**Table 7: Strategy Implementation Plan**

Strategic Objectives/Strategies/Activities	FY13	FY14	FY15	FY16	FY17
<b>Financial Objectives</b>					
<b>SO1. Grow own source income from TZS 4.9 billion in FY12 to TZ 162 billion by FY17</b>					
<b>Strategy 1.1. Grow income from houses sold and public rental income to TZS 111.5 billion and TZS 0.8 billion respectively by FY17</b>					
Key activities					
1.1.1. Sell 1,750 houses to public servants each year					
1.1.2. Price houses for sale appropriately					
1.1.3. Rent 750 new houses to public servants each year					
1.1.4. Review rent once in every two years					
<b>Strategy 1.2. Grow income from commercial rental properties to TZS 28.7 billion by FY17</b>					
Key activities					
1.2.1. Increase TBA's share of in the joint venture complexes from 25% to at least 50%					
1.2.2. Grow the commercial property portfolio					
1.2.3. Effectively assessing market rents in order to align TBA's rent rates with changes in the market place					
1.2.4. Identify opportunities to construct or acquire units in profitable niches such as high end apartments, retail shops and office spaces					
1.2.5. Improve commercial rent and ensure TBA's rent is not less than 90% of market rates					
1.2.6. Periodically rationalize public tenant mix to understand their income levels/price sensitivity, needs, what they value and offer them appropriate/relevant housing units and rent rates					
1.2.7. Align rent pricing with value to tenants and rent will be charged in line with value offered.					
<b>Strategy 1.3. Grow consultancy revenue from TZS 2.5 billion in 2012 to TZS 20 billion by 2017</b>					
Key activities					
1.3.1. Improve quality of consultancy services: use modern equipment/technology; apply appropriate building standards; and ensure effective drafting and execution consultancy contracts.					
1.3.2. Outsource extra workload to sub-contractors and ensure existence and execution of Service Level Contracts (SLCs) with sub-contractors.					
1.3.3. Increase focus on high value projects by increasing the proportion of high value projects to 20% by FY17.					
1.3.4. Establish a business development team.					
1.3.5. Strengthen consultancy fees:					
– Revise our pricing strategy and have a mix of percent-based and time-based pricing strategy;					
– Increase emphasis on differentiated services and services innovation in order to offer customers high value and therefore fetch higher fees;					
– Conduct research/study in order to improve understanding of market pricing dynamics; and					
– Segment clients and increase emphasis on differentiated pricing across client segments or services.					
<b>Strategy 1.4. Grow revenue from other sources from TZS 0.35 in FY12 billion to TZS 1 billion by FY17</b>					
Key activities					

Strategic Objectives/Strategies/Activities	FY13	FY14	FY15	FY16	FY17
1.4.1. Conduct a feasibility study for the furniture business.					
1.4.2. Operationalise carpentry workshops that have potential of being profitable.					
1.4.3. Recruit people to manage the carpentry workshops.					
<b>SO2. Effectively manage costs and achieve total expenditure to total income ratio of 73% by FY17</b>					
<b>Strategy 2.1. Improve controls/management of construction costs</b>					
Key activities					
2.1.1. Establish a unit to control costs during the process of design, construction of buildings, supervision of buildings, and management of rental properties.					
2.1.2. Emphasize on designs, be strict on design changes and regulate procedures for design changes.					
2.1.3. Strengthen contract management and closely supervise subcontractors and external workers.					
2.1.4. Procure building materials locally and in areas close to the construction site.					
2.1.5. Use TBA building brigade for construction activities					
2.1.6. Put in place an incentive mechanism for cost reduction.					
<b>Strategy 2.2. Manage/reduce operating costs</b>					
Key activities					
2.2.1. Optimize internal processes and procedures.					
2.2.2. Review procurement procedures and examine possible areas for reducing costs.					
2.2.3. Review and analyse the existing base of suppliers to reveal opportunities for reducing costs.					
2.2.4. Negotiate with current suppliers for better pricing and consider proposals from alternative suppliers to lower costs.					
2.2.5. Assign a team of employees to analyse an expense category to identify areas of expense reduction.					
2.2.6. Hire a consultant to perform an operational audit of purchasing processes, negotiate with suppliers, and implement cost savings recommendations.					
2.2.7. Ensure controlled and need-based recruitment.					
2.2.8. Put in place a mechanism for rewarding staff for participation in the effort to reduce operational expenses.					
<b>Customer/Stakeholder Objectives</b>					
<b>SO 3. Provide affordable and quality accommodation to public servants and the Government</b>					
<b>Strategy 3.1. Construct 10,000 housing units by FY17</b>					
Key activities					
3.1.1. Conduct a detailed feasibility study of the project.					
3.1.2. Obtain funding from financial institutions.					
3.1.3. Engage with the Government to obtain loan guarantees.					
3.1.4. Enter into partnership arrangements with institutions such as Pension Funds in order to obtain funding for construction.					
3.1.5. Engage with Development/Investment Partners to secure funding for the project.					
3.1.6. Procure the Tunnel Form Technology;					
3.1.7. Acquire land for the construction of houses					
3.1.8. Embed Green Architecture in units being constructed;					
3.1.9. Conduct detailed market research in order to rationalize sale/rent mix of houses constructed.					

Strategic Objectives/Strategies/Activities	FY13	FY14	FY15	FY16	FY17
3.1.10. Strategically engage with suppliers of materials and of services in order to reduce the cost of construction.					
3.1.11. Engage with the government to obtain support such TAX exemptions on construction materials.					
3.1.12. Liaise with financial institutions, such as banks and pension funds, in order to negotiate an affordable interest rate for mortgages to public servants					
3.1.13. Work with the Government to develop a national policy that is supportive of affordable housing.					
<b>Strategy 3.2. Construction of government offices and leaders houses in 25 regions</b>					
Key activities					
3.2.1. Identify regions for construction of government offices and leaders houses					
3.2.2. Engage with Local Government Authorities in the identified regions					
3.2.3. Procure materials and equipment					
3.2.4. Construct office buildings in the new regions.					
3.2.5. Construct 23 office blocks in Regions and Districts.					
3.2.6. Construct 250 houses for Government Leaders.					
<b>Strategic Objective 4. Grow the portfolio of commercial rental properties</b>					
<b>Strategy 4.1. Grow the property portfolio to 1327 units by 2017</b>					
Key activities					
4.1.1. Continue to pursue joint venture arrangements and ensure better terms.					
4.1.2. Focus on profitable property classes such as retail units, offices space and high end apartments.					
4.1.3. Construct the "TBA Towers" in prime regions, which will contain offices for commercial rent.					
4.1.4. Continuously assess market needs through period market research.					
4.1.5. Ensure appropriate marketing of commercial properties.					
<b>SO 5. Improve customer satisfaction and attain a customer satisfaction level of 95% by 2017</b>					
<b>Strategy 5.1. Carry out customer segmentation exercise to tailor products and services</b>					
Key activities					
5.1.1. Determine new customers that can be targeted.					
5.1.2. Identify creditworthy tenant/client segments and differentiate credit treatment of tenant/client segments.					
5.1.3. Identify price sensitive and price insensitive customers and apply different pricing strategies for these customer segments.					
5.1.4. Identify what customers value and tailor products and services accordingly.					
5.3.5 Determine customer satisfaction levels for each of the customer segments.					
5.1.6. Tailor relationship management approaches to different customer segments.					
<b>Strategy 5.2. Enhance customer and stakeholder relationship management</b>					
Key activities					
5.2.1. Establish a computerized mechanism for continuous monitoring of maintenance of TBA housing units.					
5.2.2. Establish and implement a feedback mechanism for continuously measuring and analyzing clients' accommodation satisfaction.					



Strategic Objectives/Strategies/Activities	FY13	FY14	FY15	FY16	FY17
5.2.3. Conduct short courses in real estate management, maintenance management, entrepreneurship and customer care.					
5.2.4. Establish a business development team/structure.					
<b>Strategy 5.3. Create focus on marketing of TBA's products and services</b>					
Key activities					
5.3.1. Develop and implement a comprehensive marketing plan for all TBA's products and services.					
5.3.2. Improve marketability of TBA's properties by ensure alignment of property types to market needs.					
5.3.3. Utilize TBA website as a marketing tool and participate in trade fairs and exhibitions.					
<b>SO 6. Improve management of public servants houses, government and commercial properties, and ensure public buildings adhere to set standards and specification</b>					
<b>Strategy 6.1. Improve quality of buildings</b>					
Key activities					
6.1.1. Develop and implement a Government Real Estate Management policy by FY14.					
6.1.2. Develop and implement an internal real estate management policy for management of commercial properties.					
6.1.3. Set and use standards for quality and buildings specifications/standards by FY14.					
6.1.4. Ensure use of genuine and durable building materials which require low maintenance.					
6.1.5. Carry out regular preventative maintenance services on public servants houses, government buildings and commercial properties.					
6.1.6. Continuous rehabilitation and maintenance of government buildings.					
6.1.7. Equip staff with modern equipment					
6.1.8. Outsource key maintenance tasks for commercial properties.					
<b>Strategy 6.2. Quality Assurance of Public Buildings</b>					
6.2.1. Inspect quality of public buildings					
6.2.2. Provide certification for buildings with required quality standards					
<b>Internal Processes Objectives</b>					
<b>SO 7. Improve operational efficiency</b>					
<b>Strategy 7.1. Improve and streamline internal processes and procedures</b>					
Key activities					
7.1.1. Give Directors and Managers more power to approve documentation.					
7.1.2. Undertake a detailed review of all processes within TBA.					
7.1.3. Redesign new processes by addressing identified gaps.					
7.1.4. Implement new processes through ensuring key processes have owners and staff are well trained on new processes.					
<b>Strategy 7.2. Outsource some functions to improve quality and efficiency in service delivery</b>					
Key activities					
7.2.1. Outsource some of the property management/maintenance tasks and closely monitor performance to ensure quality and timely delivery of maintenance services.					
7.2.2. Outsource extra workload (for consultancy services) to sub-contractors and ensure existence and execution of Service Level Contracts (SLCs).					

Strategic Objectives/Strategies/Activities	FY13	FY14	FY15	FY16	FY17
<b>Strategy 7.3. Improve efficiency in debt collection</b>					
Key activities					
7.3.1. Use diversified methods of following up on debts.					
7.3.2. Enter into a contract with tenants to authorize a standing bank order for rental payments.					
7.3.3. Prioritize debt collection by starting with debtors who have high debts and those who are likely to pay;					
7.3.4. Closely monitor unpaid and overdue debtors; and					
7.3.5. Develop relationship with clients and customers.					
<b>SO 8. Enhance the governance environment by 2017</b>					
<b>Strategy 8.1. Develop and ensure compliance to internal policies, guidelines and manuals for all operations</b>					
Key activities					
8.1.1. Develop and effectively implement the following TBA-specific policies/guidelines/manuals by FY14.					
• Financial Management Policy and Manual;					
• Policy to guide the management of receivables and payables;					
• Real estate management policy to guide the management of all government houses and buildings within and outside the country;					
• Human Resource Policy and Manual;					
• Ethics Code and Standards/Anti-corruption rules; and					
• Tenant Administration Policy and Guidelines.					
8.1.2. Established a focused sensitization programme to ensure that all new and existing policies/rules/guidelines/manuals are well understood and fully implemented.					
8.1.3. Appoint a compliance officer/champion by the end of 2013.					
<b>Strategy 8.2. Enhance organizational structure effectiveness and alignment to TBA's new vision and strategy</b>					
Key activities					
8.2.1. Clearly define the top/high level organizational structure.					
8.2.2. Develop the tactical level organizational structure.					
8.2.3. Clearly define the roles and responsibilities for each position and interdependencies between roles.					
8.2.4. Implement the new structure through communicating new structure and roles, building required skills sets and recruiting where there is gap.					
8.2.5. Establish valuation section within property management section.					
<b>Learning and Growth Objectives</b>					
<b>SO 9. Attract, develop and retain competent staff</b>					
<b>Strategy 9.1. Improve recruitment effectiveness</b>					
Key activities					
9.1.1. Engage more with the President's Office–Public Service Management (POPSM) to ensure skills needs of TBA are take into consideration during the recruitment process.					
9.1.2. Participate fully in the POPSM recruitment committee.					
9.1.3. Liaise with the Government/POPSM to have more recruitment processes managed with TBA.					
9.1.4. Develop a detailed recruitment plan based on skills audit report and redesigned organizational structure.					
9.1.5. Use findings of detailed analysis of staffing needs as a basis for recruitments					
<b>Strategy 9.2. Undertake a detailed skills audit to assess staff development needs</b>					
Key activities					
9.2.1. Conduct a skills audit exercise.					

Strategic Objectives/Strategies/Activities	FY13	FY14	FY15	FY16	FY17
9.2.2. Develop a development plan for each staff based on skills gap identified.					
9.2.3. Develop a comprehensive competence framework that clearly defines required competencies for each position within TBA.					
<b>Strategy 9.3. Increase emphasis on people/talent development</b>					
Key activities					
9.3.1. Execute training plan for each staff.					
9.3.2. Ensure key skills such as are project management, financial management and reporting as well as customer service are continuously developed/enhanced.					
9.3.3. Establish a TBA Academy.					
9.3.4. Facilitate local and international knowledge exchange for professional staff with reputable organizations engaging in business similar to TBA's.					
9.3.5. Facilitate registration of professional staff to relevant bodies.					
9.3.6. Establish and effectively implement a robust induction programme.					
<b>Strategy 9.4. Establish a performance-based culture</b>					
Key activities					
9.4.1. Establish a performance management calendar with clear dates for goal setting and performance review sessions.					
9.4.2. Ensure the management and employees hold goal setting discussions at the beginning of each year and goals are linked to strategic results.					
9.4.3. Ensure performance reviews are carried out appropriately at mid and end of the year.					
9.4.4. Provide training to managers and employees on performance management (OPRAS); training/refresher course will be carried out for all staff at least once a year.					
9.4.5. Engage with the government Establish a reward system (monetary and non-monetary) which is based on performance.					
9.4.6. Establish own salary scale and reward system that is linked to performance in order to motivate staff and stay competitive in the job market.					
<b>Strategy 9.5. Increase focus on the health and welfare of staff</b>					
Key activities					
1.1.1. Provide medical support and care to all staff including HIV-infected staff;					
1.1.2. Provide nutrition allowance to HIV-infected staff to enable them to have a balanced diet					
1.1.3. Carry out sensitization workshops on the basics of HIV/AIDS, adverse effects of stigmatization, support available to TBA staff etc.; Train peer educators and use them for sensitization workshops;					
1.1.4. Establish a system that ensures confidentiality of the employees' information on their health issues (data privacy) in order to encourage more staff reveal their HIV/AIDS status; and					
1.1.5. Provide housing to TBA staff.					
1.1.6. Provide guarantee to staff to acquire low interest car loans from financial institutions;					
1.1.7. Have office buses to provide transport to TBA staff to and from the office.					
<b>SO 10. Increase use of ICT within the Agency</b>					
<b>Strategy 10.1. Ensure availability and full utilization of appropriate hardware and software</b>					

Strategic Objectives/Strategies/Activities	FY13	FY14	FY15	FY16	FY17
Key activities					
1.1.5. Procure and implement an appropriate Enterprise Resource Planning (ERP) System.					
1.1.6. Procure high performance and durable computers for all staff.					
1.1.7. Procure and/or update all necessary software for professional staff.					
1.1.8. Install a server/intranet for storage and sharing of information between offices.					
1.1.9. Ensure availability of a data back-up infrastructure.					
1.1.10. Integrate computer networking infrastructure for HQ and regional offices using the Metropolitan Area Network (MAN) and Wide Area Network (WAN).					
1.1.11. Provide staff with adequate training on utilization of available hardware and software.					
<b>Strategy 10.2. Increase use of ICT for communication</b>					
Key activities					
1.1.12. Emphasize of use of electronic communication to improve efficiency – ensure all staff have and use official email addresses.					
1.1.13. Establish a central repository all critical data/information that can be seamlessly shared by across the Agency.					
1.1.14. Finalize the designing of TBA's website and ensure that the website is up to date and fully utilized as a key communication channel to external stakeholders.					

## 6 Financial Projections

Table 8: Summary of Income Statement

Details	FY12 (Actuals)	FY13	FY14	FY15	FY16	FY17
	TZS million	TZS million	TZS million	TZS million	TZS million	TZS million
<b>Income</b>						
<b>Own Sources</b>						
Consultancy	2,503	5,050	6,500	10,000	15,000	20,000
House for sale	-	-	90,980	97,349	104,163	111,455
Public Rent	107	500	270	444	642	809
Commercial Rent	1,939	6,292	15,276	20,788	26,147	28,746
Manufacture & Sales of furniture	-	-	100	250	350	500
<b>Others</b>						
Interest Income	274	232	330	330	360	360
Sales of Tender Documents	10	10	11	12	13	15
Building Permit	14	14	15	17	19	20
Penalties charged for building without permits	-	-	75	90	115	145
Other Income	53	-	-	-	-	-
<b>Total Income from Own Source</b>	<b>4,900</b>	<b>12,098</b>	<b>113,558</b>	<b>129,280</b>	<b>146,809</b>	<b>162,049</b>
<b>Government Grants</b>						
Personnel Emoluments	2,087	3,260	4,535	5,086	5,725	6,226
Other Charges	290	305	213	160	120	90
<b>Total Government Grants</b>	<b>2,377</b>	<b>3,565</b>	<b>4,748</b>	<b>5,246</b>	<b>5,845</b>	<b>6,316</b>
<b>Total Income from Own &amp; Government Sources</b>	<b>7,278</b>	<b>15,663</b>	<b>118,306</b>	<b>134,526</b>	<b>152,654</b>	<b>168,365</b>
<b>COGS</b>						
Houses for Sale	-		79,113	84,651	90,577	96,917
Furniture for Sale	-		90	220	301	425
<b>Total COGS</b>	<b>-</b>		<b>79,203</b>	<b>84,871</b>	<b>90,878</b>	<b>97,342</b>
<b>Gross Income</b>	<b>7,278</b>	<b>12,098</b>	<b>34,355</b>	<b>44,409</b>	<b>55,931</b>	<b>64,707</b>

Details	FY12 (Actuals)	FY13	FY14	FY15	FY16	FY17
	TZS million	TZS million	TZS million	TZS million	TZS million	TZS million
<b>Expenditure</b>						
<b>Own Expenditure</b>						
Chief Executive Office	1,026	324	1,188	960	1,038	1,122
Regional Offices	960	2,964	2,950	3,257	3,396	3,768
Real Estate Services	278	246	1,096	1,527	1,779	2,038
Consultancy Services	493	453	457	499	545	596
Business Support	2,016	2,370	4,923	5,397	6,004	6,572
Depreciation	-	1,440	3,944	4,403	4,633	4,878
<b>Total Own Expenditure</b>	<b>4,773</b>	<b>7,799</b>	<b>14,558</b>	<b>16,043</b>	<b>17,395</b>	<b>18,974</b>
<b>Grant Expenditure</b>						
Personnel Emoluments	2,087	3,260	4,535	5,086	5,725	6,226
Other Charges	290	305	213	160	120	90
<b>Total Grant Expenditure;</b>	<b>2,377</b>	<b>3,565</b>	<b>4,748</b>	<b>5,246</b>	<b>5,845</b>	<b>6,316</b>
<b>Total Expenditure Own &amp; Government Grants</b>	<b>7,150</b>	<b>11,364</b>	<b>19,307</b>	<b>21,290</b>	<b>23,240</b>	<b>25,290</b>
<b>Surplus before Interest &amp; tax</b>	<b>128</b>	<b>734</b>	<b>15,048</b>	<b>23,119</b>	<b>32,692</b>	<b>39,417</b>
Interest Expense	-	-	32,400	32,143	29,670	27,198
<b>Net Surplus/Deficit for the Year</b>	<b>128</b>	<b>734</b>	<b>(17,352)</b>	<b>(9,024)</b>	<b>3,022</b>	<b>12,219</b>

Table 9: Statement of Financial Position

Details	FY12 (Actuals)	FY13	FY14	FY15	FY16	FY17
	TZS million	TZS million	TZS million	TZS million	TZS million	TZS million
<b>Assets</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	11,778	11,590	12,454	12,303	11,680	11,164
Investments Property	65,518	66,183	179,133	224,027	271,685	317,162
<b>Total Non-Current Assets</b>	<b>77,296</b>	<b>77,773</b>	<b>191,587</b>	<b>236,330</b>	<b>283,365</b>	<b>328,326</b>
Long term Debtor	18,116	15,579	13,043	10,507	7,971	5,435
Investments - FDR	3,127	3,000	3,000	3,000	3,000	3,000
<b>Current Assets</b>						
Work In Progress	15,549	21,111		-	-	-
Inventory and Stock	1,868					
Sundry Debtors	6,302					
Current portion of long term debtors	-	2,536	2,536	2,536	2,536	2,536
Loan and Advances	9	33	45	51	57	62
Cash and Bank	5,872	5,386	134,895	113,349	97,089	75,899
<b>Total Current Assets</b>	<b>29,599</b>	<b>29,066</b>	<b>137,476</b>	<b>115,936</b>	<b>99,683</b>	<b>78,498</b>
<b>Total Assets</b>	<b>128,137</b>	<b>125,418</b>	<b>345,107</b>	<b>365,773</b>	<b>394,019</b>	<b>415,258</b>
<b>Capital and Liabilities</b>						
<b>Capital</b>						
Capital Grants	58,611	58,611	58,611	58,611	58,611	58,611
Revenue Contributions to Capital Outlay	41,831	39,493	69,357	99,116	126,415	151,256
Accumulated Surplus	17,292	17,898	546	(8,478)	(5,457)	6,763
Transferred Assets	6,364	6,364	6,364	6,364	6,364	6,364
<b>Total Capital</b>	<b>124,098</b>	<b>122,366</b>	<b>134,878</b>	<b>155,614</b>	<b>185,934</b>	<b>222,994</b>
<b>Non - Current Liability</b>						
16% Loan	-	-	180,000	180,000	166,154	152,308
12% Loan			30,000	27,857	25,714	23,571
<b>Current Liabilities</b>			210,000	207,857	191,868	175,879
Sundry Creditors	2,031	2,958				
Current portion of 16% Long term loan	-	-	-	-	13,846	13,846
Current portion of 12% Long term loan				1,990	1,978	1,964
Prepaid Commercial Rent	30	94	229	312	392	575
Miscellaneous Deposits	1,922	-	-	-	-	-
Unclaimed Salaries	55	-	-	-	-	-
<b>Total current Liabilities</b>	<b>4,039</b>	<b>3,052</b>	<b>229</b>	<b>2,302</b>	<b>16,216</b>	<b>16,385</b>
<b>Total Capital and Liabilities</b>	<b>128,137</b>	<b>125,419</b>	<b>345,107</b>	<b>365,772</b>	<b>394,019</b>	<b>415,259</b>

**Table 10: Statement of Cash Flow**

Details	FY12 (Actuals)	FY13	FY14	FY15	FY16	FY17
	TZS million	TZS million	TZS million	TZS million	TZS million	TZS million
<b>Cash flows from Operating Activities</b>						
Gross income (BIT)	-	734	15,048	23,119	32,692	39,417
Add depreciation	-	1,440	3,944	4,403	4,633	4,878
(Increase)/decrease in accounts receivables	-	47	21,098	(6)	(6)	(5)
Increase/(decrease) in accounts payables	-	(987)	(2,823)	2,072	13,915	169
<b>Net Cash flows from operating activities</b>	<b>754</b>	<b>1,235</b>	<b>37,267</b>	<b>29,589</b>	<b>51,233</b>	<b>44,459</b>
<b>Cash flows from Investing Activities</b>						
Purchases of fixed assets:-						
(Increase)/decrease in Long term debtors accounts receivables		2,536	2,536	2,536	2,536	2,536
Increase/(decrease in FDR interest)		127	-	-	-	-
Purchase of property, plant and equipment	(265)	(584)	(1,837)	(885)	(218)	(162)
Purchase of Investment Property	-	(1,333)	(115,922)	(48,260)	(51,451)	(49,677)
<b>Proceeds on Sales of fixed assets:-</b>						
Proceeds from Sale of Houses:	4,403	-				
Work - in - Progress	(6,339)	(5,562)				
<b>Net Cash flows from Investing activities</b>	<b>(1,927)</b>	<b>(4,817)</b>	<b>(117,759)</b>	<b>(49,145)</b>	<b>(51,668)</b>	<b>(49,839)</b>
<b>Cash flows from Financing Activities</b>						
16% Long term loan			180,000			
12% Long term loan			30,000			
16% Loan repayment					(13,846)	(13,846)
12% Loan repayment				(1,990)	(1,978)	(1,964)
<b>Net Cash flows from Financing activities</b>	<b>-</b>	<b>-</b>	<b>210,000</b>	<b>(1,990)</b>	<b>(15,824)</b>	<b>(15,810)</b>
<b>Change in net cash flows</b>	<b>(1,174)</b>	<b>(3,582)</b>	<b>129,509</b>	<b>(21,546)</b>	<b>(16,259)</b>	<b>(21,190)</b>
Cash and Cash Equivalent at the beginning of the year	10,142	8,968	5,386	134,895	113,349	97,089
<b>Cash and Cash Equivalent at the end of the year</b>	<b>8,968</b>	<b>5,386</b>	<b>134,895</b>	<b>113,349</b>	<b>97,089</b>	<b>75,899</b>
<b>Appropriation</b>						
Revenue contribution to Capital outlay						
Revenue contribution towards loan repayment						
<b>Net Surplus/Deficit for the Year</b>		<b>734</b>	<b>(17,352)</b>	<b>(9,024)</b>	<b>3,022</b>	<b>12,219</b>
<b>Accumulated Surplus Brought Forward</b>		<b>17,164</b>	<b>17,898</b>	<b>546</b>	<b>(8,478)</b>	<b>(5,457)</b>
<b>Total Accumulated Surplus</b>		<b>17,898</b>	<b>546</b>	<b>(8,478)</b>	<b>(5,457)</b>	<b>6,763</b>



## 7 Appendices

## Appendix I: Notes to the Proposed Organization Structure

## **1. Restructuring Business Support Directorate**

Currently, Business Support Directorate has three Sections:

- Finance and Account;
- Marketing; and
- Administration and Human Resources.

The following are our recommendations with regards to restructuring of the BS Directorate.

### **1.2 Establishment of Public Relations Section**

In order to expand and promote the Agency's operations TBA needs to establish an independent department for Public Relations.

The role for this section will not be changed.

### **1.3 Establishment of Business Development Section**

The marketing section will basically focus on pushing products and services of TBA to the market thereby ensure there is a robust marketing plan for new houses being sold and rented. For example, if TBA wants to pre-sell houses before they are completed so that they can generate funding for development, this team will have to design an appropriate marketing plan for that. They will also be responsible for raising the brand of TBA and its products/services in the marketing through structured marketing and advertising

To be able to create more business TBA needs to establish a Business Development unit which will be responsible for identifying opportunities, developing relationships, and securing profitable work for the Agency.

### **1.4 Establishment of Finance/ Account Directorate**

Finance/ Account function is an important part of the Agency and which needs close supervision of a Director whose focus will be only on the Finance/Accounts matters of the Agency. Therefore, we recommend establishing an independent Finance/ Account Directorate, which will be led by a Head with the educational backgrounds in finance/accounting. This will ensure effective use of resources and manage costs effectively.

### **1.5 Establishment of Human Resources and Administration Directorate**

Administration and human resources are two very important functions of a business; therefore we recommend establishing an independent directorate which will provide a broad range of human resource and administrative management activities in support of the Agency.

## **2. Establishment of Information and Communication Technology Department**

Since the services of ICT are becoming increasingly part and parcel of the modern way of working, there is a need for TBA to establish an independent Information and Communication Technology Directorate, which will be strictly involved in providing the infrastructure for automation, the governance for the use of the network and operating systems, and assistance in providing the operational sections the functionality they need.

### 3. Restructuring Real Estate Directorate

Currently, Real Estate Directorate has three Sections:

- Property Management;
- Research, Planning and Development; and
- Database Documentation Unit.

The following are our recommendations with regards to restructuring of the RE Directorate.

In order to enhance the level of customers' satisfaction, gain better knowledge of their needs and their expectations, the Agency needs to create a Customer Service Unit. The Unit will be operating under the Real Estate Department and it will be responsible for addressing customer needs of tenants.

#### 3.5 Establishment of Special Project Section

Special Project Unit should be established under the real estate directorate because the project is on development and management of houses.

#### 3.6 Establishment of Facility Management Section

In order to ensure safe and clean buildings and grounds that provide an appealing physical appearance and a comfortable working environment as well as an effective coordination of space, infrastructure and people we recommend establishing facility management section.

#### 3.7 Establishment of Customer Service Section

This section will focus on addressing issues that customers have – complaints, ensuring requests regarding housing repairs are addressed appropriate and also ensure that there is a structured way of getting feedback from customers on services that TBA is providing. This feedback will be shared to other departments so that they can address and improve services.

### 4. Establishment of Carpentry Workshops Section Under Regional Managers

In order to expand the scope of furniture sales to government and public servants, we recommend establishing carpentry workshops within all regional offices, which will lead to a greater accountability in the Agency.

### 5. Establishment of Building Brigade

There is the need for the building brigade to be established under the Special Programme Directorate (SPD). This will provide a section that will be helping the SPD achieve its goal.

## Appendix II: List of Policies/Guidelines/Manuals to be Developed

Internal Policies/Guideline/ Manuals	Deadline
1. Financial Management Policy and Manual	Dec 2013
2. Receivables and Payables Policy	Dec 2013
3. Asset Management Policy	June 2014
4. Government Real Estate Investment and Management Policy (Internal Draft)	June 2014
5. Real Estate Management Policy and Manual	Dec 2014
6. Human Resource Policy and Manual	Dec 2014
7. Ethics Code and Standards/Anti–corruption rules	Dec 2014
8. Tenant Administration Policy, Guidelines and Manual	Dec 2014
9. ICT Policy and Manual	Dec 2014
10. Project Management Manual	Dec 2014
11. Maintenance Policy	Dec 2013
12. Marketing Policy and Procedures	Dec 2015

## Appendix III: Assumptions for Financial Projections

- 1) We assumed that we will construct 2,500 each year for FY14, FY15, FY16 and FY17 which will bring the total number of houses constructed to 10,000 by FY17.
- 2) We assumed that 70% of the houses constructed for public servants will be available for sale. This represents 1,750 out of the 2,500 houses constructed each year.
- 3) We assumed that 30% of the houses constructed will be available for rent to public servants. This represents 750 houses out of the 2,500 houses constructed each year
- 4) We assumed that we will construct 77 commercial units in FY14, 50 in FY15, 50 in FY16 and 50 in FY17.
- 5) We assumed that we will construct 7 TBA towers in identified key regions of Tanzania Mainland by the end of FY17: 2 in FY14, FY15, FY16 and 1 in FY17.
- 6) We assumed that TBA will start manufacturing of furniture to be sold to government MDA's and to furnish houses constructed, and generate a revenue of TZS 100 million in FY14, TZS 250 million in FY15, TZS 350 million in FY16 and TZS 500 million in FY17. Assume a profit margin of 10% in FY14, 12% in FY15, 14% in FY16 and 15% in FY17.
- 7) We assumed the following on cost and prices of houses for sale.

No. of Bedrooms	Construction Cost/Unit (TZS Million)				Profit margin %	Price/Unit (TZS Million)			
	FY14	FY15	FY16	FY17		FY14	FY15	FY16	FY17
2 Bedroom	26.2	28.1	30	32.1	15	30.1	32.3	34.5	36.9
3 Bedroom	48.2	51.5	55.1	58.9	15	55.4	59.2	63.4	67.7
4 Bedroom	128	137	147	157	15	147.7	158.0	169.1	180.9

- 8) We assumed the following with regards to monthly rent for public servants

No. of Bedrooms	Rent/month (TZS'000)			
	FY14	FY15	FY16	FY17
2 Bedroom	150	160	171	171
3 Bedroom	225	240	257	257
4 Bedroom	300	320	342	342

- 9) The average commercial rent is around US\$202 based on a sample of commercial units rented by the Agency and excluding the apartments at Chimara road and Chole road which are rented out at US\$3000 and US\$2500 respectively. Therefore, we assumed that a per month rent of US\$2750 per unit for commercial units in Chimara, US\$2250 for Chole road apartments and US\$236 for other commercial properties. No growth rate has been assumed.
- 10) We assumed that office space will be rented out at an average price of TZS 24,450 per square meter per month for the period FY14 to FY15 and TZS 25,673 for FY16 to FY17.