



**COMPANY PROFILE
AND
BUSINESS PLAN
OF
K AND K
HOTEL PRODUCTS**

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Company Description

K and K Hotel Products , Kotte , Sri Lanka based company, will operate, as a single unit, medium-size, contemporary style hotel products company. The company is located at 05B Mission Road, Kotte, Sri Lanka.

Mission Statement

The company's goal is that of a versatile success. Our first responsibility is to the financial well-being of the company. We will meet this goal while trying to consider; 1) the effect of our products on the quality, durability and affordability, 2) the impact that our business practices and choices will have on the market, and 3) the high quality of attitude, fairness, understanding, and generosity between management, staff, customers, and vendors. Awareness of all these factors and the responsible actions that result will give our efforts a sense of purpose and meaning beyond our basic financial goals.

Development & Status

The company was established officially in November of 2009.

The founder is Lasith Chinthaka Makalanda and Lasith is the Proprietor/Chairman of the company. He has loaned the company LKR, 2,000,000.00 from his own money for research and as start-up costs.

Future Plans

If the business is meeting its projections by mid 2012, we will start scouting for a second location and develop plans for the next unit. We also have a five year goal is to have 1 showroom in the heart of capital of Sri Lanka and the other in outside Sri Lanka.

Industry Analysis

Although the hotel products industry is very competitive, the lifestyle changes created by modern living continue to fuel its steady growth by having more guests and visitors in the hotels , villas, restaurants through out the year in the world. More and more people have less time, resources, and specially in Sri Lanka because we have finished the 30 years of civil war the hotel industry has boomed beautifully and this year it had gained about 75% increment in the arrivals of tourists to Sri Lanka, and because of its identity as the Peal Island of Asia. The government of Sri Lanka too has named this year as the "Year of Tourism" , naming the 12 months for different activities to attract the tourists from different parts of the world. Trends are very important and K and K is well positioned for the current interest in lighter and affordable and moderate to low prices. As such we are also having a greater liking and interest to do more and more business and we also get more benefits from the banks because of this position that the government has given the industry. Presently there are new hotel chains that have signed agreements with the government to open up new large 7 star properties giving the opportunities for companies such as hotel products to come up in their ladder.

The Hotel Products Industry Today

The hotel products business is one of the up and coming industries in the country. The independent, everything under one roof – concept hotel products companies are very few in the country compared to other industry product companies. As such the demand is very high at present. The average Sri Lankan Hotel spends about 25% of their income for hotel products every month. This number has been increasing for the past two years. In the past two years the hotel industry has out-performed drastically. There are about approximately 500 hotels , 5* - 1* and tourist board approved and non approved hotels, and other places , villas, bungalows, restaurants and other properties coming up every month.

Future Trends & Strategic Opportunities

The predicated growth trend is very positive both in short and long-term projections. K and K Hotel Products always tries to give modern and creative items because the more demand is there for new items as people loves novelty all the time when they are away from home. In the year 2020 Sri Lanka is going to be the most demanded tourist attraction place in the South East Asia.

Following is what we have gathered by looking at the market

- Hotels will spend a greater proportion of their budget to have new and uncommon items in the hotels
- Independent operators and entrepreneurs will be the main supply of new and up and coming properties.
- Environmental concerns will receive increased attention." (eg, good for human use certificates etc)

Products & Related Services

K and K Hotel Products will be offering items of hotel products with a distinctive image. There will be two ways to purchase these products; , take-out from the company, and delivery to hotels .

The Products

The products (see appendices) is moderate sized, and moderate-low priced offering a collection of items manufactured in Sri Lanka, as well as in China, India, Malaysia, Thailand with a common theme – everything under one roof. Our goal is to create the image of light satisfying and still quality items.

There has been an increased awareness of our products both in Sri Lanka as well as in other parts of the world covering, India, USA, South Africa, Dubai & Maldives

Production

Our products and assembly will take place in the factories and carefully checked by trained staff for quality and durability.

Service

There will be two ways a customer can purchase the items . They may sit come to K and K Hotel products for the items to purchase or we will deliver to the customer at their requested place. Most of the time the hotels calls and sends a fax or an email to deliver the items in large quantities, because of the rapport that we have with them.

The Target Market

The market for K and K Hotel products covers a large area of diverse types of properties varying from restaurants to 5 star hotels. Although we are located in Kotte it is an area where everybody can travel easily to inspect the items or to buy the items.

There are different types of customers that we cater at the moment

- **The 5 star hotels**, Villas & Suit type of Bungalows – In order to maintain high quality and competitive environment hotels always buys items with high quality and new products all the time.
- **Restaurants** – Items will be bought to suit the need of their customers
- Basic Facility hotels, Rest Houses – The basic items are bought to maintain their properties

The Competition

There are few companies in Sri Lanka that has everything under one roof with similar prices. Although this presents an obvious challenge in terms of market share, it also indicates the presence of a large, strong potential. The newest competitors have made their successful entry based on an innovative concept or novelty. K and K will offer an innovative product in a familiar style at a competitive price. Our aggressive plans of having our own brand and a competitive price will also give us an advantage to create a good market share before the competition can adjust or similar concepts appear.

Competitor's Profile

Competing with K and K for the target market are these categories of Hotel Product suppliers in Sri Lanka:

- Independent and individual persons and similar products and price structure.
- Group companies that sells some of the items
- Super markets having items on display with a large variety

There are so many individuals who are doing this business with only one variety selling (eg amenity range, printing of paper products – chef hats, soap boxes etc

Group companies like, Hemas, Hayleys, Reckitt Benkiser, for Amenities, Titus Stores, for Glasses cutlery & crocker

Arpico, Keells supper selling all items at their stores

Competitive Strategy

There are three major ways in which we will create an advantage over our competitors;

- product identity, quality, and novelty
- high employee motivation and good sales attitude
- innovative and aggressive service options. (90 days credit/ 02 years warranty)

K and K is the only hotel products company among all the competition which focuses the entire product range on hotel products,- Cutlery & Crockery, Glassware & Ceramic Ware, Towels and Linen, Bathroom slippers ,Room Amenities, Chaffing Dishes, Safety Lockers, Mini Bars, Garbage Bins, Bags Take away boxes, Kitchen Equipment and many other items.

Once they have tried our product on one item they will come back for another item too in the next time and for sure the repeat business will be taken by them even after a year because of the quality and the price. We also maintain a friendly, atmosphere all the time, and even we will go to their door step at any time to meet the need of their customer. Return and repeat business while facilitated by accessible all the time .

Marketing Plan & Sales Strategy

Market Penetration

Entry into the market should not be a problem. Because K and K has now captured most of the properties in and around the capital of Sri Lanka and as well as other parts of the country and outside the country

Marketing Strategy

Focusing on the unique aspect of the product theme (everything under one room)

Print media -- local newspapers, magazines and brochures

Point of sale – Lasith does the majority of the sales by using his expertise word-of-mouth referral is very important in building a customer base.

Systems & Controls

A big emphasis is being placed on extensive research into the quality and integrity of our products. They will constantly be tested for our own high standards.

Item Production

We make sure that the requested items are carefully made with proper gauge and quality and items that are needed the good for human use certificate contain the proper ingredients (eg cups, ceramic ware, with the proper gauge) where customers can use without any problem.

Delivery

The items are delivered to the customer on time and most of the items are kept in our stores for any emergencies.

Management & Organization

Key Employees & Principals

Lasith Makalanda is also the owner and Manager of K and K Airline Product where items are provided to local and overseas airlines Though the company is small Lasith has done his homework in bringing up a high-profile mainstream image for K and K.

Lasith brings with him a track record of success in the Hospitality industry with more than 20 years experience in the trade both in Sri Lanka and in overseas. He has done his MBA in USA and His management style is innovative and in keeping with the corporate style outlined in the mission statement.

Company Lawyers

Presently Mr Jagath Kahangaarachchi acts as his company lawyer in any legal matters.

Banks

Commercial Bank – Kotte , Sri Lanka

Ownership

Lasith Makalanda will be the owner until his children are eligible and ready to take up the management positions.

Long-Term Development & Exit Plan**Goals**

K and K is an innovative concept that targets a new, growing properties. We assume that the market will respond, and grow quickly in the next 5 years. Our goals are to create a reputation of quality, consistency and affordability that will make us the leader of a new style of hotel Products Company

Milestones

We will keep a close eye on sales and profit. If we are on target at the end of year 2012, we will look to expand to a second unit.

Risk Evaluation

With any new venture, there is risk involved. The success of our project hinges on the strength and acceptance of a fairly new market. After year 2012, we expect some copycat competition in the form of other independent units. Chain competition will be much later.

Exit Plan

Ideally, K and K will expand to two units in the next 05 years. At that time, we will entertain the possibility of a buy-out by a larger volume company or actively seek to sell to a new owner.