

# **Kiswila Services and Collaboration Formulas**

*by Vincenzo Ciccarelli Kiswila Managing Director (vincenzo.ciccarelli@kiswila.com)*

## **Executive Summary.**

The secondary education sector is becoming more competitive in Tanzania due to the increasing number of schools and to the recent decision of the Government to make costless the education up to level 4.

The catholic schools in order to face this new scenario must reduce fees, improve their education offer to make it appeal-able and competitive.

To do that it is necessary to join forces and create and exploit any possible synergy to be in a position to improve the didactic offer, to reinforce the Catholic characterization of our proposal and to reduce fees.

A coordination and strict collaboration is necessary to reach this target.

The Diocese of Morogoro and other investors created a Company named Kiswila also with this specific target.

Kiswila is proposing itself as the vehicle for the secondary catholic schools to join forces and merge together.

## **Proposed Scenarios**

Kiswila may offer to a partner School the following 3 services packs:

1. BASIC
2. MANAGERIAL
3. MANAGERIAL PLUS

These are interconnected with one another and each one includes the previous ones (e.g. MANAGERIAL PLUS includes MANAGERIAL which includes BASIC).

The minimum level of service is the BASIC which is the entry level for the collaboration.

Moreover there are two additional services packs independent from each other and from the previous ones (they imply that at least the BASIC level collaboration is in progress):

1. CONSTRUCTION SERVICES
2. FINANCIAL SERVICES

In the following these and the previous ones are set forth with greater detail.

## **BASIC.**

### **Kiswila offers the following:**

- Catholic education for students and teachers
- Advertising campaign and promotion aiming at increasing the number of students

### **Kiswila receives the following:**

- Fee for each student provided by Kiswila

### **Collaboration formula:**

- Agreement in writing and signed

## **MANAGERIAL**

### **Basic plus the following**

### **Kiswila offers the following (in addition to Basic):**

- Management of the school (school manager)
- Technical and scientific education for teachers
- Web site

### **Kiswila receives the following (in addition to Basic):**

- Fee for the Manager
- Fee for Technical / Scientific tutorship
- Fee for website

### **Collaboration formula:**

- Agreement in writing and signed
- Or in alternative in case of acquisition of the control of the school by Kiswila (majority of shares or rental). In this case previous fees are not due.

## **MANAGERIAL PLUS**

### **Managerial plus the following (in addition to Managerial)**

### **Kiswila offers the following:**

- Informatization of the school for education
- Informatization of the school for administration

### **Kiswila receives the following (in addition to Managerial):**

- Fee for System components Hw / Sw
- Fee for Technical / support

### **Collaboration formula:**

- Agreement in writing and signed
- Or in alternative in case of acquisition of the control of the school by Kiswila (majority of shares or rental). In this case previous fees are not due.

**Independently from the previous three service packs. Kiswila may offer the**

**following**

## **CONSTRUCTION SERVICES**

**Kiswila offers the following:**

- Keys on hand construction of new buildings
- Refurbishment / maintenance of existing buildings

**Kiswila receives the following (in addition to Managerial):**

- Fee for service + materials

**Collaboration formula:**

- Agreement in writing and signed
- Or in alternative in case of acquisition of the control of the school by Kiswila (majority of shares or rental). In this case previous fees are not due.

## **FINANCIAL SERVICES**

**Kiswila offers the following:**

- Loans to acquire books, equipment, lab tools etc

**Kiswila receives the following (in addition to Managerial):**

- Competitive Interest Fee
- Long return period
- 

**Collaboration formula:**

- Agreement in writing and signed
- Or as an alternative in case of acquisition of the control of the school by Kiswila (majority of shares or rental). In this case previous fees are not due.

## **Collaboration Formulas**

The collaboration between Kiswila and the school may be, reflecting what in above, formalized in different ways according to the entity that manages it. Three possibilities:

1. School managed by the current management. In this case the relationship with Kiswila is regulated by a simple, written and signed agreement (BASIC)
2. School Managed by Kiswila on behalf of the current owners of the school. In this case the relationship with Kiswila is regulated by a simple, written and signed agreement (MANAGERIAL or MANAGERIAL PLUS)

3. School controlled by Kiswila, either via a rental agreement or via the purchase of the majority of the shares. In this case no further formalization is needed.

Our proposal to schools, to be realized also gradually, is aiming at one of the following two perspective scenarios.

- Either Kiswila rents the school and pays a rental fee to the Owner and then manages the school, maintaining at the beginning the same personnel
- Or Kiswila purchases the school or the majority of the shares at a price to be agreed upon and pays this price in kind, by assigning to the Owner a number of new ordinary shares of Kiswila equal in value to the value of the school. In this way the Owner of the school will maintain exactly his capital but instead of managing his single school will share with Kiswila the responsibility in managing all the controlled schools. The Owners will have the right to appoint someone director of the company Kiswila to represent them at the Management Board Meetings, where decisions are taken for all the controlled schools and where the common teaching policy is decided. In this way there will be a common approach, scale economies, a shared, high education standard, sharing of resources, the establishing of a strong and trustworthy brand (*e.g. suppose that a school is 100 MTSh worth, Kiswila may purchase the school and pay the owner in kind with 100 MTSh of new shares of Kiswila. In this way the owner will no longer possess the school but a slice of Kiswila of the same value. Moreover he may be a director of Kiswila and participate to the Management Board of the company*).

Out of the two proposals, Kiswila prefers the second one but are open to discuss on both.