



KIT Royal
Tropical
Institute

BUDGET 2019

KIT

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1. 1. Introduction

KIT in 2018

In 2018, we further positioned ourselves as Applied Knowledge Institute (AKI) on sustainable and inclusive development. We focused on a number of knowledge themes and made co-investments in our knowledge work out of KIT's Knowledge Innovation Fund (KIF). We pursued new markets to diversify KIT's client base and implemented a private sector strategy. We strengthened the SDG House community and developed a business plan to transform the SDG House into a financially sustainable initiative. We implemented a new ERP system, improved ICT infrastructure and CRM system. Our Marketing & Communication (MarCom) Team enhanced the quality of services and added value to KIT's activities as AKI. We invested in sustainability of our buildings and explored premises development scenarios in order to increase attractiveness of our campus. KIT Hospitality and KIT Intercultural Professionals (IP) improved margins by increasing sales.

Besides these successful achievements, our Knowledge Units (KU's) Health and SEDG struggled financially and staff perceived high work pressure. Billability in the Health Unit was relatively high, while fees were under pressure. Health executed long term projects with lump sum fees, which allowed for project margins. In the SEDG unit, fees were higher but staff struggled with very low billability levels. SEDG pursued and attracted many short term projects, resulting in high pressure on acquisition efforts. Meanwhile, staff perceived high work pressure in both units.

In order to improve financial results, reduce work pressure for the benefit of sustainable employability of our employees and achieve most impact on the SDGs, we launched the 'KIT Sustainable Future' trajectory at the beginning of 2018. We identified concrete actions and measurable targets and followed a strict planning for delivery through the 'Six Pillar Process'. By the end of 2018, we successfully started implementing a new organizational model for the KU's and defined clear job descriptions. We reduced the span of control of the Head of Units (HoU), strengthened our pro-active acquisition and started using a CRM system. As a result, we will be better able to anticipate on market developments and opportunities, allowing for higher project margins, fees and increased impact in 2019.

KIT in 2019

For 2019 we have identified the following key objectives:

2. We will continue positioning our KU's on sustainable and inclusive development in low- and medium income countries, using the SDGs as a general framework of action. Priority clients and segments are now determined and value propositions developed in order to profile KIT as thought leader in the identified priority sectors and respond on new growing market opportunities.
3. We will invest in the organization of our KU's in order to fully consolidate the KIT Sustainable Future trajectory, focused on strengthening KIT's position as a financially and socially sustainable high-quality AKI.
4. We will become *the* Center for the SDGs in the Netherlands with our SDG House. We will develop a financially self-sustaining model for the SDG House and provide an enabling environment for organizations from all sectors to flourish in their areas of expertise and contribute to the realization of the SDGs in the Netherlands. This will lead to more visibility, increased demands for our KU's services, and more SDG related events at KIT.
5. We will measure and publicly communicate about our own impact in 2019, which is essential to strengthen the quality of our work, support acquisition efforts and detail our accountability and transparency.
6. We will further develop focused value propositions and supporting marketing communications materials for KIT's AKI in order to increase our external visibility, attract clients and become thought leaders in our field of expertise.
7. We will continue with our premises development trajectory towards a more sustainable and attractive KIT campus. We will strategically link the development of our building to our positioning as the SDG House and KIT as Applied Knowledge

Institute on sustainable and inclusive development, taking into account increased revenue and improved use and value of our buildings.

8. We will invest in the sustainability of KIT's premises and operations, focusing on energy, water, and waste.
9. We will fully consolidate our new ERP system, ICT infrastructure and CRM system. We will also develop a business process and pipeline measurement system to become a more efficient and service minded organization.
10. We will strive towards full transparency and accountability on financial targets and results. KIT Hospitality and KIT IP will increase sales and improve margins. SEDG and Health will work towards a positive result through a healthy division of work (billability), good pricing (fees) and efficient project management (positive project results).

There are many talented and inspiring people working together in our SDG House and we take pride in KIT's achievements. We look forward to working together with our staff, Management Team, Supervisory Board, Council of Members and the SDG House Community to achieve our objectives and enhance our positive impact in 2019.

Mark Schneiders
CEO KIT Royal Tropical Institute

Budget, Cash forecast, Investments

	Health	SEDG	Real Estate	Totaal BU's	F&O	RVB	Reorganisatie	Totaal Overhead	Vereniging	Hospitality	IP	Holding	Totaal Holding	eliminatie	Totaal
Project Revenue	9.600.934	7.273.072	-	16.874.005	-	-	-	-	16.874.005	-	-	-	-	-	16.874.005
Education Revenue	-	-	-	-	-	-	-	-	-	-	1.050.000	-	1.050.000	-	1.050.000
Hospitality Revenue	-	-	-	-	-	-	-	-	-	7.100.864	-	-	7.100.864	-	7.100.864
Real Estate Revenue	-	-	5.617.127	5.617.127	-	-	-	-	5.617.127	-	-	-	-	-	5.617.127
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue	9.600.934	7.273.072	5.617.127	22.491.132	-	-	-	-	22.491.132	7.100.864	1.050.000	-	8.150.864	-	30.641.996
Consultancy fees C.O.S.	5.283.083	4.378.854	-	9.661.937	-	-	-	-	9.661.937	-	-	-	-	-	9.661.937
Consultancy third parties C.O.S.	2.600.000	2.100.000	-	4.700.000	-	-	-	-	4.700.000	-	-	-	-	-	4.700.000
Consultancy travel costs C.O.S.	2.100.000	1.000.000	-	3.100.000	-	-	-	-	3.100.000	-	-	-	-	-	3.100.000
Consultancy other costs C.O.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project C.O.S.	9.983.083	7.478.854	-	17.461.937	-	-	-	-	17.461.937	-	-	-	-	-	17.461.937
Education fees C.O.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education third parties C.O.S.	-	-	-	-	-	-	-	-	-	-	294.000	-	294.000	-	294.000
Education travel costs C.O.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education other costs C.O.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education C.O.S.	-	-	-	-	-	-	-	-	-	-	294.000	-	294.000	-	294.000
Hospitality C.O.S.	-	-	-	-	-	-	-	-	-	1.159.671	-	-	1.159.671	-	1.159.671
Real estate C.O.S.	-	-	1.446.720	1.446.720	-	-	-	-	1.446.720	-	-	-	-	-	1.446.720
Other C.O.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of services Sold	9.983.083	7.478.854	1.446.720	18.908.657	-	-	-	-	18.908.657	1.159.671	294.000	-	1.453.671	-	20.362.328
Gross (Project) Margin	(382.149)	(205.782)	4.170.407	3.582.475	-	-	-	-	3.582.475	5.941.193	756.000	-	6.697.193	-	10.279.668
Gross salary	3.374.526	2.904.430	459.981	6.738.937	1.130.893	737.834	-	1.868.728	8.607.664	2.154.877	488.885	-	2.643.762	-	11.251.427
Pension costs	-	-	70.163	70.163	183.276	122.389	-	305.665	375.828	-	-	-	-	-	375.828
Social charges	-	-	85.110	85.110	217.341	121.932	-	339.273	424.384	-	-	-	-	-	424.384
Other salary related costs	34.500	26.250	13.709	74.459	34.505	21.994	-	56.498	130.958	-	-	-	-	-	130.958
Other personnel costs	-	-	-	-	6.000	381.102	-	387.102	77.640	34.380	-	-	112.020	-	499.122
Personel Costs	3.409.026	2.930.680	628.964	6.968.670	1.572.015	1.385.252	-	2.957.267	9.925.937	2.232.517	523.265	-	2.755.782	-	12.681.719
External staff costs	-	-	10.000	10.000	10.000	53.500	-	63.500	73.500	541.165	9.710	-	550.875	-	624.375
Depreciation costs	-	-	1.750.000	1.750.000	260.000	15.000	-	275.000	2.025.000	237.600	-	-	237.600	-	2.262.600
Housing Costs	-	-	789.804	789.804	-	-	-	-	804.804	1.712.742	-	-	1.712.742	-	2.517.546
Office Costs	25.000	25.000	22.000	72.000	266.057	29.000	-	295.057	367.057	128.888	5.000	-	133.888	-	500.945
Sales & Marketing	-	-	-	-	-	165.000	-	165.000	165.000	163.040	2.000	-	165.040	-	330.040
Advisory costs	-	-	20.000	20.000	155.000	60.000	-	215.000	235.000	48.500	2.500	-	51.000	-	286.000
Other operating costs	-	-	40.000	40.000	32.553	15.500	-	48.053	88.053	-	2.000	-	2.000	-	90.053
Mutation provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution hours project	(5.283.083)	(4.378.854)	-	(9.661.937)	(9.611)	480.000	-	470.389	(9.191.548)	-	-	-	-	-	(9.191.548)
Distribution costs overhead	1.523.984	1.187.595	240.308	2.951.888	(2.114.164)	(1.723.252)	-	(3.837.416)	(885.528)	705.707	179.821	-	885.528	-	(0)
(in)direct costs	(325.072)	(235.579)	3.501.076	2.940.425	186.850	480.000	-	651.849	3.607.274	5.770.159	724.297	-	6.494.456	-	10.101.730
Operational Result	(57.077)	29.796	669.331	642.050	(186.850)	(480.000)	-	(651.849)	(24.799)	171.034	31.703	-	202.737	-	177.938
Financial Income	-	-	-	-	(186.850)	-	-	(186.850)	(186.850)	-	28.900	85.902	114.802	-	(72.048)
Extraordinary income & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Result participations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial result & Taxes	-	-	-	-	(186.850)	-	-	(186.850)	(186.850)	-	28.900	85.902	114.802	-	(72.048)
Result after taxes	(57.077)	29.796	669.331	642.050	0	(480.000)	-	(464.999)	162.051	171.034	2.803	(85.902)	87.935	-	249.986