



Travel Agency

BUSINESS PLAN

INTERNATIONAL BUSINESS TOURS

4065 Harvard Court
Santa Ana, CA 92706

International Business Tours business plan is a good example of an entrepreneur taking advantage of a business opportunity arising out of newly accessed markets. Keeping abreast of the world trade arena is proving profitable for IBT.

- INTRODUCTION
- INDUSTRY BACKGROUND
- THE COMPANY
- MARKETING PLAN
- FINANCIAL STATEMENTS

INTRODUCTION

This document contains the business plan for International Business Tours, a California - based company that offers assistance to executives and entrepreneurs who seek to do business internationally. International Business Tours (IBT) will familiarize U.S. executives and entrepreneurs with the business and social environments in specific countries and help them to establish their own network of business contacts in those markets. These objectives will be met by providing educational, business-related tours to specific markets. The tours will educate U.S. executives about the market, give them hands-on experience in that country and introduce them to potential buyers, sellers, distributors or partners.

Initially, the tours will focus on emerging markets in Latin America. Starting in the second year of operation, IBT will begin to expand its destinations to include primary business centers in South Africa, Central Europe and Asia.

INDUSTRY BACKGROUND

International Business - History and Current Conditions

For nearly two centuries, the U.S. has been a dominant player in the field of international business. Europe and Japan are well established trading partners of the U.S. In recent years, the nations of Latin America have received a growing volume of investment and attention from U.S. businesses. Total foreign investment (in \$US billion) is shown below for the five top Latin American countries for 1991-1993:



	1991	1992	1993
Mexico	16.1	24.3	29.03
Brazil	11.6	12.1	17.6
Argentina	5.1	7.9	15.61
Venezuela	4.8	2.9	7.38
Chile	1.7	2.3	2.99

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Brazil, Mexico and Argentina are the dominant players in the Latin American market. In fact, Brazil represents 45% of the entire Latin American GDP, (Source: *Strategic Business Journal*).

The October 10, 1994 issue of *Marketing Front* states, "Governments (in Latin America) once drowning in red ink have privatized industries, and many others have recently passed laws that encourage foreign investment," said Bob Hill, an investment adviser at the Alan Tromell Co. in Hartford, CT. Moreover, industries that have reached their maturity in the U.S., such as utilities, manufacturing, construction and telecommunications are still in their growth stages in such nations as Argentina, Brazil, Chile and Mexico."

These conditions, plus the passing of NAFTA, help make Latin America one of the hottest and most promising regions for U.S. businesses seeking to expand internationally.

International Business - Future Directions

By the year 2000, the Latin American consumer market will be larger than either Europe or Japan, (Source: *Journal of Entrepreneurship*).

In 1994, direct investment from the United States to the four largest Latin American countries is expected to grow as follows:

% Change from 1993	
Argentina	Up 28%
Mexico	Up 12%
Chile	Up 8%
Brazil	Up 3.5%

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Through the end of this century, investment and expansion in Latin America by North American businesses will continue to grow.

Travel and Tourism - History, Current Conditions and Future Directions

Tourism from the U.S. to Latin America is growing at a rate of 13% per year, according to the World Travel and Tourism Council. This rate is expected to continue for each year for the rest of this century.

Business travel to Latin America is expected to grow even faster as a result of the increased direct investment from the U.S. to the countries of Central and South America.



THE COMPANY

What The Company Does

International Business Tours offers assistance to executives and entrepreneurs who seek to do business internationally. IBT will familiarize U.S. executives and entrepreneurs with the business and social cultures in specific cities and help them to establish their own network of business contacts in those countries.

These objectives will be met by providing educational, business-related tours to specific markets. The tours will educate U.S. executives about the market, give them hands-on experience in that country and introduce them to potential buyers, sellers, distributors or partners. Initially, the tours will focus on emerging countries in Latin America. Starting in the second year of operation, IBT will begin to expand its destinations to include primary business centers in South Africa, Central Europe and Asia.

Product Line

The tours will be one week business tours to either Mexico City; Sao Paulo, Brazil; Santiago, Chile or Buenos Aires, Argentina. Tour participants will receive the following:

- Round-trip international airfare
- Hotel accommodations at a first class hotel
- All breakfasts, four lunches and three dinners
- Two cocktail receptions, a networking social with expatriate Americans and a final night dinner/reception
- Series of expert speakers on topics such as Banking, Investment & Finance, Import/Export Regulations, Strategic Alliances, Environmental Regulations, NAFTA, Legal Issues, Politics, Cultural Practices & Issues, Relocation and Local Real Estate (business and residential).
- Series of off-site activities including office or plant tours, a practical guide to using local public transportation, a tour of the local stock exchange, an inspection of sample apartments and homes guided by a local real estate agent
- A recreational day spent touring the historical and tourist sights of the city
- When possible, one-on-one introductions to local business people engaged in the same industries or fields as the tour participants
- Optional two night/three day tour extensions (air & hotel only) to nearby leisure destinations such as Acapulco, Puerto Vallarta or Rio de Janeiro

Prices

Per person prices for the tours range from \$1500 (for Mexico) to \$2500 (for Chile). These prices are consistent with most leisure tours to these markets and are extremely competitive compared to typical U.S. based seminars on topics related to doing business abroad.

The typical gross profit per passenger ranges from \$350 to \$450 depending on the destination.

Management

IBT will start out as a California-based sole proprietorship managed by one principal, Zachary Natall. Although sole proprietorships do not protect the principal from personal loss or liability, this form of business entity was chosen for the first two years of operation for the following reasons:

The principal has liquidated most personal assets and invested the funds into the start-up of the business. There are few personal assets that need protection.



IBT has taken out a \$500,000 liability insurance policy to cover the company against lawsuits. The cost of incorporating in California is extremely high (approximately \$1,250), and this was not deemed to be a wise investment of funds until after the start-up stage.

In the first year of operation, virtually all support services will be out-sourced. These include legal and financial services, bookkeeping, etc.

On the following page is a list of the managerial skills and duties to be performed by the principal.

Primary Duties and Responsibilities of the Principal:

- Site inspections
- Contract negotiations (hotels, airlines, destination management companies, speakers, etc.)
- Marketing/Sales
- Publicity
- Registration
- On-site tour management
- Curriculum development
- Revenue and expense accountability
- Accounting
- Office supply and computer equipment procurement
- Future program development

MARKETING PLAN

Based on research, the marketing efforts of competitive organizations and recommendations from qualified professionals, the marketing plan for IBT has been developed to reach the target audience through a variety of channels. These are outlined below.

Sponsorships

IBT will seek sponsors in Mexico, Brazil, Argentina and Chile. These may include airlines, banks, consulting firms and real estate agencies. For a fee paid to IBT, these sponsors will have their logos appear on IBT literature and receive acknowledgment (PR) as event sponsors. In addition, they will be given the opportunity to personally present themselves to tour participants during the programs in Latin America in order to generate their own business. The fees collected from sponsors will be put into other marketing efforts such as direct mail brochures.

Space Ads

IBT will run space ads in appropriate publications including *Finance in Latin America*, *Corporate Issues* and many others. These ads will be small and aimed only at generating inquiries. Telephone and fax inquiries will be fulfilled with low-cost fulfillment brochures.

Fulfillment Brochures

Inexpensive fulfillment brochures and packages will be written and designed by Zachary Natall. These will be produced on material purchased from The Paper Supply, a supplier of pre-formed brochures and display materials. Although the cost of these materials is low, the perceived quality is high. This system and its flexibility will control costs by allowing the printing and mailing of small quantities of brochures as needed. The fulfillment brochures will contain all the information necessary for respondents to make the decision to



register for the tours.

Telemarketing

Zachary Natall will personally phone all inquiries to try to complete the sale.

Conferences and Seminars

There are numerous conferences and seminars in and near the Los Angeles area on subjects such as business in Mexico, NAFTA, Brazil, Latin America in general, etc. Many trade missions and chambers of commerce with offices in Southern California develop programs that are held locally. When possible, Zachary Natall will be present at these events to personally promote the tours.

Free Samples

Going on the assumption that the best way to sell your product is to give people a taste, IBT is prepared to develop and conduct mini-seminars to be used as sales pitches. These will be one-hour programs advertised and held at the trade conferences described above. The miniseminars will be conducted personally by Zachary Natall. The objective will be to educate participants about the product, IBT and generate sales. Mini-seminar participants will be told about the tours, speakers, topics and most of all, the benefits. Leads, sales and referrals will be generated at these mini-seminars.

Strategic Alliances

IBT has identified several companies who develop products similar to — but not directly in competition with — IBT. In the first year of operation, Mr. Natall will be in contact with these organizations to determine if they have an interest in any kind of strategic alliance or joint effort. These joint efforts might include list sharing, a joint seminar, sponsorship, combination brochure development, etc.

Personal Selling

The principal of IBT will contact and work with the vast network of international business contacts he has developed over the years in Latin America, Europe and North America. Mr. Natall is prepared to allocate a significant amount of time to personally selling IBT.

FINANCIAL STATEMENTS

Personal Financial Assessment

Prepared November 11, 1994

Collateral/Non-Liquid Assets	
Auto (Estimated Value)	4,500
Personal Furnishings & Office Equipment	2,000
Retirement Fund	600
Total Non-Liquid Assets	\$7,100
Savings/Liquid Assets	
Current Savings	1,500
Projected savings as of February 1, 1995	7,500
Life insurance policy value	3,500
Total Savings/Liquid Assets of 2/1/95	\$11,000
Total Cash Amount Put Into the Business	\$11,000

Salary

\$41,820/year (will voluntarily terminate on January 3, 1995)

Источник бизнес-плана: <http://www.referenceforbusiness.com>



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Total Cash Amount Put Into the Business	\$11,000

American Express Sign & Travel Account	3,700
AT&T Mastercard	2,300
IKEA	400
MasterCard	600
Student Loan	550
Total Long Term Debt	\$7,550

Long Term Personal Debts/Liabilities (Projected Figures as of Feb. 1, 1995)

American Express Sign & Travel Account	3,700
AT&T Mastercard	2,300
IKEA	400
Master Card	600
Student Loan	550
Total Long Term Debt	\$7,550

Balance Sheet - February 1, 1995

Assets

Current Assets

Cash	11,000
Merchandise	0.0
Supplies	500
Pre-paid expenses	0.0
Total Current Assets	\$11,500

Fixed Assets

Fixtures	0.0
Vehicles	4,500
Equipment	1,000
Leasehold Improv.	0.0
Building	0.0
Land	0.0
Total Fixed Assets	\$5,500
Total Assets	\$17,000

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Current Assets

Cash	11,000
Merchandise	0.0
Supplies	500
Pre-paid expenses	0.0
Total Current Assets	\$11,500

Fixed Assets

Fixtures	0.0
Vehicles	4,500



Equipment	1,000
Leasehold Improv.	0.0
Building	0.0
Land	0.0
Total Fixed Assets	\$5,500
Total Assets	\$17,000

Liabilities**Current Liabilities**

Accounts Payable	2,000
Current Portion LTD	0.0
Other	0.0
Total Current Liabilities	\$2,000

Long Term Liabilities

Notes Payable	0.0
Bank Loans Payable	0.0
Other Loans Payable	0.0
Total LT Liabilities	0.0
Total Liabilities	\$2,000

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Long Term Liabilities

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Bank Loans Payable	0.0
Other Loans Payable	0.0
Total LT Liabilities	0.0
Total Liabilities	\$2,000

Accounts Payable Display

Item	Amount
Feb. Mexico Planning Trip (Lodging, meals, ground transportation, entertainment expenses, etc.)	\$1,000
February Office Rental	350
Phone Bill	100
Office Supplies, Letterhead, etc.	500
Local Transportation Costs (Gas, tolls, parking, etc.)	50
Total Accounts Payable	\$2,000

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Feb. Mexico Planning Trip (Lodging, meals, ground transportation, entertainment expenses, etc.)	\$1,000
February Office Rental	350
Phone Bill	100
Office Supplies, Letterhead, etc.	500
Local Transportation Costs (Gas, tolls, parking, etc.)	50
Total Accounts Payable	\$2,000