



# Sample Company LLC

## Business Plan

BC PNP Supporting Documentation  
Sample Month 20XX



**Mr. John Doe**

Sample title

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(XXX) XXX-XXXX

**Sample Company**

Sample address  
Sample City,  
Sample State

## Contents

1. Business Overview .....	3
1.1 Business Model .....	3
1.2 Key Success Factors .....	4
1.3 Mr. John Doe’s Profile .....	4
1.4 Location and Layout .....	5
1.5 Pricing .....	5
2. Company and Ownership Structure .....	5
3. Management Structure .....	5
4. Operations .....	6
5. Staffing .....	7
5.1 Operations Manager (NOC: 0114) .....	7
5.2 Marketing Supervisor (NOC: 6211) .....	7
5.3 Administrative Assistant (NOC: 1241) .....	7
5.4 Reservations Consultant (NOC: 6521) .....	8
5.5 Ticketing Executive (NOC: 6521) .....	8
5.6 Sales Supervisor (NOC: 6211) .....	8
5.7 Ticketing Manager (NOC: 0125) .....	9
5.8 Customer Service Agent (NOC: 6524) .....	9
6. Market Analysis .....	10
6.1 Travel Agencies in Canada (NAICS Code: 56151) .....	10
6.2 Promotional Activities .....	11
6.2.1 Website and Digital Marketing .....	11
6.2.2 Social Media .....	12
6.3 Competition .....	12
6.3.1 Basis of Competition .....	12
6.3.2 Main Competitors .....	12
6.4 SWOT .....	13
6.5 Risk Management .....	13
7. Governing Laws, Regulations, and Licensing .....	14
8. Appendices .....	14
8.1 Appendix: Investment Breakdown .....	14
8.2 Appendix 2: Pro-forma Financial Statements .....	15
8.2.1 Assumptions .....	16
8.2.2 Sales Forecast .....	17
8.2.3 Profit and Loss .....	17
8.2.4 Balance Sheet .....	18
8.3 Appendix 3: Resume .....	18
8.4 Appendix 4 .....	18
8.5 Appendix 5: Other Documentation .....	19
8.5.1 Cost Analysis .....	19
8.5.2 Break-even Analysis .....	19
8.5.3 Return on Investment .....	20
8.6 The Company’s Impact on the Canadian Economy .....	20

## 1. Business Overview

### 1.1 Business Model

Sample Company LLC (Sample Company) will operate a travel booking website in Canada and will offer a variety of competitively priced travel deals, packages, and airplane tickets to both Canadian and international leisure and business travellers. The Company will be based in Burnaby, Greater Some City, Some Region, and will be led by Mr. John Doe, an accomplished entrepreneur and a proud owner of four successful online travel agencies with a combined annual revenue of approximately \$X million:

- Company 1
- Company 2

Sample Company will receive immense support from its global affiliate companies in terms of knowledge transfer, IT support, global operations management, customer support, and strategic alliance with renowned travel industry vendors. Sample Company goal is to extend its geographic and service reach to Canada, with an ultimate goal of becoming the leading one-stop solution provider in the online travel industry segment in North America.

Over the last five years, the four affiliate companies pleased numerous global travellers and have developed the strategic agreements with XX airlines that serve six continents. In addition, the affiliate companies' state-of-the-art Reservations Center in the U.S. is responsible for providing professional consultation and superior customer service for air travel to the world's most popular destinations such as the U.S., Canada, Australia, Africa, Hong Kong, Malaysia, and Europe.

The Company will operate in a favourable business environment. Each year, Canada is becoming a more popular tourist destination, and has received a record-breaking XX.XX million foreign travellers in 20XX.<sup>1</sup> In addition, improving customer confidence and household income, the internet's continuous popularity in travel and accommodation booking, and the development of new airline technology and infrastructure will support the Company's business growth in Canada.

In addition to the strategic alliance established by its affiliate companies in the U.S. and Some Country, the Company has developed a comprehensive marketing plan and established connections with respected global marketing firms, including Some Company in Canada and Some Company in California. In Canada, the Company will highly invest in hiring polite and experienced booking, reservation, and sales professionals to maximize customer satisfaction and provide an enjoyable customer experience. Sample Company will provide customer support throughout all stages of a customer's journey, before, during, and after the conducted trip. All business operations will be overseen by Mr. Doe, the Some Title, who has a proven track record in the global tourism and travel industry.

Because of the superior service, competitively priced packages, and effective marketing and advertising campaigns, customers will choose Sample Company over other similar competitors. Based on Mr. Doe's industry and market experience and according to already developed sales and marketing plans and feasibility studies, Sample Company expects to serve a total of X,XXX customers in Year 1, increasing to X,XXX customers in the following year.

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<sup>1</sup> Source Sample

## 1.2 Key Success Factors

**Being part of a group buying, promotion and marketing scheme:** It is beneficial for operators to be part of a group-buying and promotional schemes to reduce operating costs and for information-sharing purposes. Sample Company has developed relationships with respected global marketing firms, including Usecallbox in Canada and digitalmarketingmedia in California, which will allow the Company easy market penetration and acquisition of a considerable market share in the first two years of business in Canada.

**Having a clear market position:** A company needs to develop and understand its niche market and clients, and always meet the client's needs. This will ensure good word-of-mouth recommendations and repeat clients.

Sample Company has already developed a clear market positioning plan, with main focus on providing airplane tickets and deals for two main destinations: Canada and Some Country.

**Ensuring pricing policy is appropriate:** It is important to ensure that product pricing and packaging is undertaken properly (and with adequate profit built in).

The Company will implement penetration pricing strategy in order to gain considerable market share as the new market entrant in Canada.

**Ability to provide goods/services in diverse locations:** Operators can gain a competitive advantage if they have a wide variety of information and travel packages to suit the specialist or niche travelers' needs, as well as those of general and business travelers. Due to well established global operations and established relationships with key global travel industry vendors, Sample Company will provide competitively priced deals to both business and leisure customers to most popular tourist destinations.

**Access to the latest available and most-efficient technology and techniques:** Having web-based communication, reservation, business operations and information technology is vital.

The Company will have access to a state-of-the-art Reservations Center in the U.S. through one of its affiliate companies, as well as access to a professional 24/7 support line in Some Country.

**Access to multiskilled and flexible workforce:** Having on-going staff training in all areas of operation, including product knowledge, is essential to providing quality customer service.

For this reason, Sample Company has decided to establish operations in Greater Some City, an area with a large pool of highly skillful candidates.

## 1.3 Mr. John Doe's Profile

Mr. Doe is an accomplished entrepreneur with vast experience in the global tourism sector. He is currently the owner of two online travel agencies based in Some Country and two online travel agencies based in the U.S. Prior to establishment of four online travelling and booking companies, he has occupied the Senior Travel Consultant and Vice President positions in the travel industry in Some Country. In 20XX, he obtained a Bachelor's degree in Tourism.

Mr. Doe will use his knowledge obtained over the last XX years in the global travel industry in Some Country and the U.S. to establish a profitable venture in Canada. He will oversee strategic development of the Company, and oversee the implementation of Sample Company' sales, marketing, and business development initiatives. He will also oversee the Company's financial performance, plan cost-effective operations, and develop market expansion activities.



## 1.4 Location and Layout

The Company will conduct operations from Sample City, Sample City. Some City is a coastal seaport city in Western Canada, located in some region. As the most populous city in the province, the 20XX census recorded XXX,XXX people in the city, up from XXX,XXX in 20XX. Some region is Canada's second most visited province and boasts a wealth of both natural and human-made wonders.<sup>2</sup>

Many tourists that visit sample region make it a point to visit Sample City, a city that is always bustling with life, a city that has several museums and art galleries, and a wide range of upscale restaurants. Some City is also home to Some Region's largest shopping mall, and has a vibrant night life.

Some City is an advantageous environment to operate an online travel agency due to a large pool of highly educated and talented workers residing in Some City. In addition, by having physical offices set up in Some City will allow Sample Company to establish strong and long-term relationships with local tourism industry vendors, and to offer more competitive prices for Some City deals.

## 1.5 Pricing

Based on Mr. Doe's industry and market experience and expected service offering, Sample Company expects the average ticket price<sup>3</sup> to be \$XXX. As the Company extends offering and increases its customer base, the average ticket price is expected to increase accordingly.

## 2. Company and Ownership Structure

Mr. Doe will own 100% of Sample Company, and as the sole proprietor of the Company, will invest the necessary capital from his own funds and have full decision-making power.

Mr. Doe will initially invest \$XXX,XXX from his own funds for the successful development of Sample Company in Canada.

## 3. Management Structure

Mr. Doe will oversee the expansion and growth of Sample Company in Canada as its Some Title. As the Some Title, he will be responsible for implementing the Company's policies and procedures. He will be responsible for monitoring day-to-day operations as well as identifying and tracking changes in the industry and market needs in order to develop and adjust the Company's policies and procedures as needed. He will be responsible for managing relationships with vendors, social media followers, and customers. Mr. Doe will review financial statements, activity reports, and other performance data in order to measure the Company's productivity and goal achievement, which will allow him to determine areas needing cost reduction and program improvement. He will be responsible for analyzing operations to evaluate the performance of the Company and its staff, and he will be responsible for handling relationships with contractor suppliers, partners, the media, and customers. Mr. Doe will formulate, direct, and coordinate marketing activities to promote the Company's services.

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<sup>2</sup> Some Source

<sup>3</sup> Some Source

## 4. Operations

Sample Company will be physically located in Some City and will conduct all operations online. The Company's operations in Canada will be supported by its affiliate companies located in Some Country and the U.S. The Company will have access to a state-of-the-art Reservations Center in the U.S. and 24/7 live chat line and support team in Some Country.

In addition, Mr. Doe is the majority owner (90%) of Some Company, a respected IT services company and travel agency based in Some Country capable of solving most complex problems in online travel interfaces, from desktop applications to IT support. Some Company will support Sample Company' development in Canada and will develop a state-of-the-art travel booking portal for Canadian operations, which will allow Sample Company to experience lower operating costs and provide a simplified user interface to end customers.

Boketto Travel Technology LLC is also 100% mobile ready, and can build an innovative mobile app for Sample Company once the Company gains the required customer base. The affiliate company's dedicated team of IT professionals is capable of solving even the most complex IT-related issues within four to eight hours, which will allow uninterrupted operations of the Company and also allow Sample Company to establish itself as a reliable one-stop operator for all travel needs.

Sample Company will be dedicated to building a loyal base of customers by investing in developing strong marketing and promotional campaigns. The Company has already allocated \$XX,XXX for the successful implementation of a marketing plan with the goal of establishing a strong brand identity in the first two years of operations. Sample Company' affiliate companies in Some Country and the U.S. have a large and recurring customer base that frequently make international leisure and business trips. The Company will invest in marketing tools to attract this customer base to visit Canada.

The Company will also be dedicated to establishing strong and long-lasting relationships with local tourism vendors in order to maintain rich service offerings and competitive pricing structure. Sample Company' objective is to increase the number of international leisure and business travellers to Greater Some City, which will in turn stimulate the local economy.

As the new market entrant, Sample Company will use a penetration pricing strategy in order to establish itself as an affordable travel service provider. Sample Company has developed relationships with global travel industry vendors which will allow the Company to successfully implement its penetration pricing strategy without impacting profitability. In addition, the penetration pricing strategy will also allow Sample Company to obtain a larger market share compared to other new industry entrants.

Operationally, Mr. Doe will use his experience in global tourism operations to guide, develop, and build sustainable operations in Canada. In addition to numerous operational duties, he will participate in industry-leading conferences and summits in order to increase Sample Company' market exposure and to further strengthen relationships with key industry partners.



## 5. Staffing

### 5.1 Operations Manager (NOC: 0114)

Position Title:	Some Title
Employment Requirements:	<ul style="list-style-type: none"> <li>A bachelor's degree or college diploma in business administration or a related administrative services field</li> <li>Several years of experience at a professional level in business administration, finance or administrative services</li> </ul>
Employment Type:	Full-time (37 hours per week)
Employment Date:	One in Year 1
Job duties:	<ul style="list-style-type: none"> <li>Plan, organize, direct, control and evaluate the operations of a department providing a single administrative service or several administrative services</li> <li>Direct and advise staff engaged in providing records management, security, finance, purchasing, human resources or other administrative services</li> <li>Direct and control corporate governance and regulatory compliance procedures within the establishment</li> <li>Plan, administer and control budgets for contracts, equipment and supplies</li> <li>Prepare reports and briefs for management committees evaluating administrative services</li> <li>Interview, hire and oversee training for staff</li> </ul>
Salary:	<ul style="list-style-type: none"> <li>\$X,XXX per month</li> </ul>

### 5.2 Marketing Supervisor (NOC: 6211)

Position Title:	Some Title
Employment Requirements:	<ul style="list-style-type: none"> <li>Completion of secondary school</li> <li>Previous sales/marketing experience</li> </ul>
Employment Type:	Full-time (37 hours per week)
Employment Date:	One in Year 1
Job duties:	<ul style="list-style-type: none"> <li>Perform key holding and managerial duties if required, such as managing escalated complaints and developing and implementing marketing strategies</li> <li>Resolving issues that may arise</li> <li>Prepare reports regarding sales volume</li> <li>Hire and train or arrange for the training of new sales staff</li> <li>Monitor and report on sales employees' performance</li> </ul>
Salary:	<ul style="list-style-type: none"> <li>\$X,XXX per month</li> </ul>

### 5.3 Administrative Assistant (NOC: 1241)

Position Title:	Some Title
Employment Requirements:	<ul style="list-style-type: none"> <li>Completion of secondary school</li> <li>Completion of a one- or two-year college or related program</li> </ul>
Employment Type:	Full-time (40 hours per week)
Employment Date:	One in Year 1
Job duties:	<ul style="list-style-type: none"> <li>Prepare, key in, edit and proofread correspondence, invoices, presentations, brochures, publications, reports and related material from machine dictation and handwritten copy</li> <li>Greet visitors, ascertain nature of business and direct visitors to employer or appropriate person</li> <li>Record and prepare minutes of meetings Arrange travel schedules and make reservations</li> </ul>
Salary:	<ul style="list-style-type: none"> <li>\$X,XXX per month</li> </ul>

**5.4 Reservations Consultant (NOC: 6521)**

Position Title:	Some Title
Employment Requirements:	<ul style="list-style-type: none"> <li>• Completion of secondary school</li> <li>• A college diploma or vocational training in travel or tourism</li> <li>• Certification with the Association of Canadian Travel Agencies (ACT)</li> </ul>
Employment Type:	Full-time (37 hours per week)
Employment Date:	One in Year 1
Job duties:	<ul style="list-style-type: none"> <li>• Provide travel information to clients regarding destinations, transportation and accommodation options and travel costs</li> <li>• Recommend suitable products</li> <li>• Plan and organize vacation travel for individuals or group</li> <li>• Make transportation and accommodation reservations using computerized reservation and ticketing system</li> <li>• Sell single fare tickets and package tours to clients</li> </ul>
Salary:	<ul style="list-style-type: none"> <li>• \$X,XXX per month</li> </ul>

**5.5 Ticketing Executive (NOC: 6521)**

Position Title:	Some Title
Employment Requirements:	<ul style="list-style-type: none"> <li>• Completion of secondary school</li> <li>• A college diploma or vocational training in travel or tourism</li> <li>• Certification with the ACTA</li> </ul>
Employment Type:	Full-time (40 hours per week)
Employment Date:	One in Year 2
Job duties:	<ul style="list-style-type: none"> <li>• Provide travel information to clients regarding destinations, transportation and accommodation options and travel costs</li> <li>• Recommend suitable products</li> <li>• Plan and organize vacation travel for individuals or group</li> <li>• Make transportation and accommodation reservations using computerized reservation and ticketing system</li> <li>• Sell single fare tickets and package tours to clients</li> </ul>
Salary:	<ul style="list-style-type: none"> <li>• \$X,XXX per month</li> </ul>

**5.6 Sales Supervisor (NOC: 6211)**

Position Title:	Some Title
Employment Requirements:	<ul style="list-style-type: none"> <li>• Completion of secondary school</li> <li>• Previous sales experience in similar positions</li> </ul>
Employment Type:	Full-time (37 hours per week)
Employment Date:	One in Year 2
Job duties:	<ul style="list-style-type: none"> <li>• Supervise and co-ordinate sales staff</li> <li>• Assign sales workers to duties and prepare work schedules</li> <li>• Resolve issues that may arise, including customer requests, complaints and supply shortages</li> <li>• Maintain specified inventory and order merchandise</li> <li>• Prepare reports</li> </ul>
Salary:	<ul style="list-style-type: none"> <li>• \$X,XXX per month</li> </ul>



### 5.7 Ticketing Manager (NOC: 0125)

Position Title:	Some Title
Employment Requirements:	<ul style="list-style-type: none"> <li>• A bachelor's degree or college diploma in a field related to the business service</li> <li>• Several years of experience in a field related to the business service provided</li> <li>• Licences, certificates or registration may be required for some business services managers</li> <li>• University studies in business administration may be required</li> </ul>
Employment Type:	<ul style="list-style-type: none"> <li>• Full-time (37 hours per week)</li> </ul>
Employment Date:	<ul style="list-style-type: none"> <li>• One in Year 2</li> </ul>
Job duties:	<ul style="list-style-type: none"> <li>• Plan, organize, direct, control and evaluate the operations of establishments that provide services to business</li> <li>• Plan, develop and organize the policies and procedures for department</li> <li>• Develop action plans, provide expertise in response to client needs, and support and advise project teams</li> <li>• Direct and advise staff in the development and implementation of service quality assessment strategies Plan</li> <li>• Administer and control budgets for client projects, contracts, equipment and supplies</li> <li>• Represent the company within various economic and social organizations</li> <li>• Assist staff with administrative or technical problems</li> <li>• Hire, train and supervise staff</li> </ul>
Salary:	<ul style="list-style-type: none"> <li>• \$X,XXX per month</li> </ul>

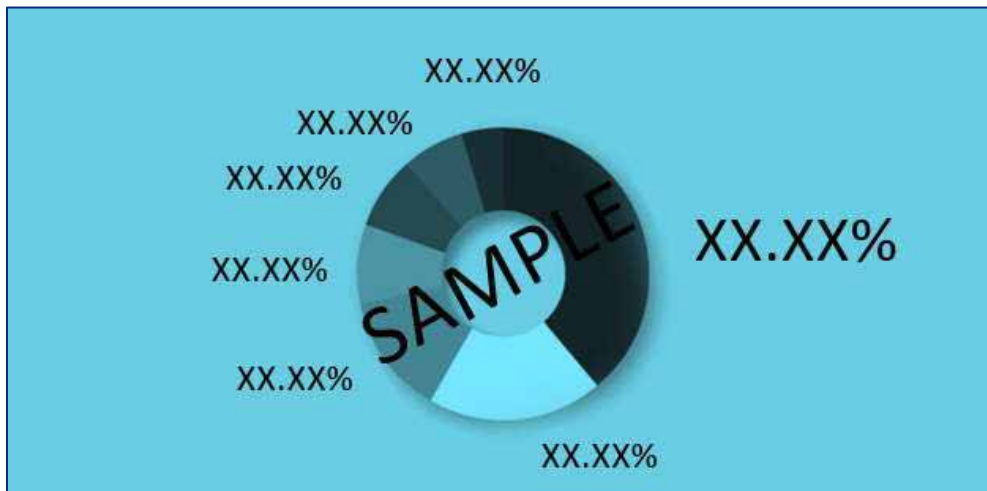
### 5.8 Customer Service Agent (NOC: 6524)

Position Title:	Some Title
Employment Requirements:	<ul style="list-style-type: none"> <li>• Completion of secondary school</li> <li>• Up to 10 weeks of training provided by the Company</li> </ul>
Employment Type:	<ul style="list-style-type: none"> <li>• Full-time (37 hours per week)</li> </ul>
Employment Date:	<ul style="list-style-type: none"> <li>• One in Year 2</li> </ul>
Job duties:	<ul style="list-style-type: none"> <li>• Answer customer inquiries, and assist clients in planning travel times and routes</li> <li>• Reserve seats for tour companies, travel agencies, wholesalers and the general public</li> <li>• Issue tickets, handle cash transactions</li> <li>• Receive and record bookings for package tours</li> </ul>
Salary:	<ul style="list-style-type: none"> <li>• \$X,XXX per month</li> </ul>

## 6. Market Analysis

### 6.1 Travel Agencies in Canada (NAICS Code: 56151)

The Travel Agencies Industry acts as agents for tour operators, transportation companies and accommodation establishments in selling travel, tour and accommodation services to the general public and commercial clients.<sup>4</sup>



The Travel Agencies Industry in Canada has struggled over the past five years, as the traditional core services of the industry have been negated by the rise of internet travel booking. The industry has been tipped on its head, as consumers have increasingly flocked to online travel websites to research and book travel. Online booking agents now play a larger role within the industry alongside traditional brick-and-mortar travel agents. While revenue from travel websites is included in this industry, internet-based operators earn a significantly lower commission from their sales than brick-and-mortar travel agents. Traditional travel agents have struggled as consumers and businesses increasingly seek savings through internet-based travel sites over more conventional agencies. Over the five years to 20XX, the industry increased an annualized X.X% to \$X.X billion, including growth of X.X% in 20XX.

<b>Revenue</b> \$XX.Xbn	<b>Annual Growth xx-xx</b> X.X%	<b>Annual Growth xx-xx</b> X.X%
<b>Profit</b> \$XX.Xbn	<b>Wages</b> \$X.Xbn	<b>Businesses</b> XXX,XXX

While the number of brick-and-mortar establishments has increased slightly alongside overall international travel during the period, brick-and-mortar travel agents have been forced to reinvent themselves to remain relevant as online booking engines have expanded their role. For this reason, many agents have sought to specialize in certain destinations or forms of travel to showcase the value they provide to travelers. Moreover, many forms of travel, especially complicated packages with multiple connections, are still best suited to traditional travel agents. For example, over XX.X% of cruises are still booked through traditional travel agents rather than online, according to travel analyst PhoCusWright.

<sup>4</sup> Source: IBISWorld, Travel Agencies in Canada, Industry Report, 2018

**Industry Outlook**

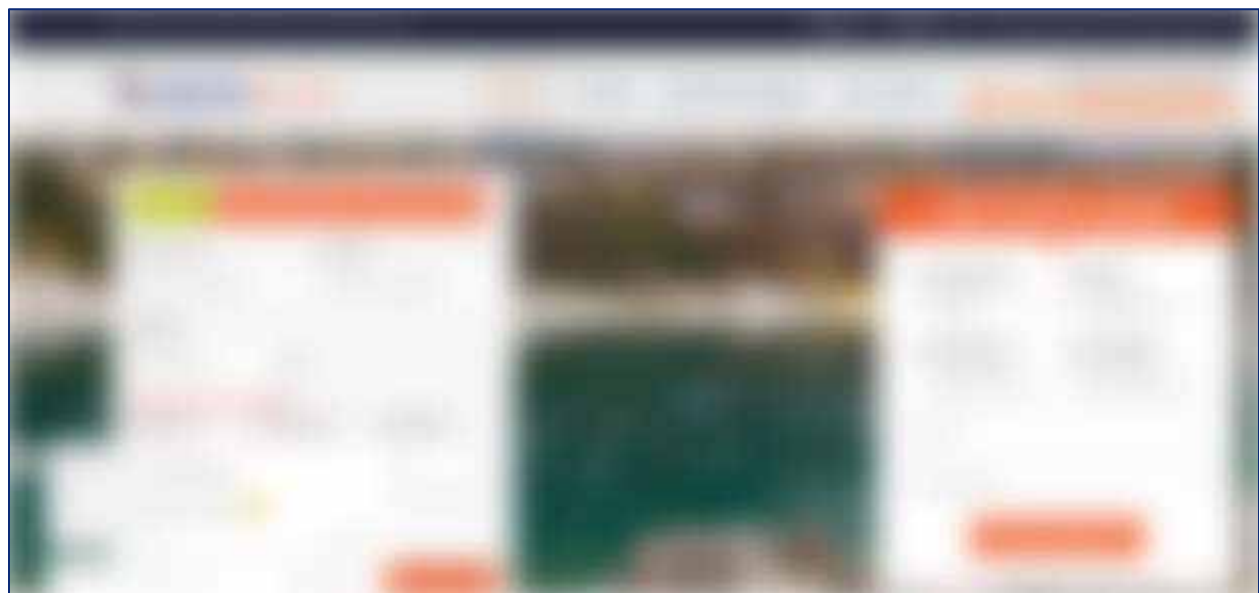
Revenue Outlook		
Year	Revenue \$ million	Growth %
20XX	XXX,XXX.X	XX.X
20XX	XXX,XXX.X	XX.X
20XX	XXX,XXX.X	XX.X
20XX	XXX,XXX.X	XX.X
20XX	XXX,XXX.X	XX.X
20XX	XXX,XXX.X	XX.X

Growth in per capita income and declining unemployment over the next five years will fail to contribute any substantial boost for the Travel Agencies Industry however with the increased internet usages people across the globe get introduced to new places and wish to explore possibilities of getting best services at best price. The travel industry is aided by improved internet interfaces and seamless transactions. Disposable income performance will continue to remain the benchmark for the industry as a whole; however, brick-and-mortar operators will need to keep pace with consumer expectations and attempt to capture greater online reservations. The state-of art facility could be very suitable to cope up with the changes in the industry. Mr. Doe’s experience in the industry and state-of-art facility would enable him to emerge as a market leader in coming times. Over the five years to 20XX, industry revenue is projected to grow an annualized X.X%, reaching \$X.X billion which is good for establishing business in Some Region.

**6.2 Promotional Activities**

**6.2.1 Website and Digital Marketing**

Sample Company maintains a website at [www.Samplecompany.com](http://www.Samplecompany.com).



On the website, visitors can currently find information about the affiliate companies’ operations in Some Country such as contact information and companies’ histories. In addition, prospective travellers can chat with the affiliate companies’ employees 24/7. The website lists popular vacation packages, travel deals, and allows visitors to book hotel accommodation and flight tickets.

The Company will devote part of its budget to digital marketing to drive traffic to the website. Digital marketing primarily focuses on Google AdWords keyword advertising campaigns and the display network. The Company will also conduct advertising campaigns on social media, such as Facebook, to drive visitors and potential clients to its website. In addition to directly bringing visitors to the website, the digital marketing campaigns also build brand awareness by displaying the Company's logo and ads on the Google display network and, therefore, on numerous websites with visitors interested in Sample Company' competitively priced travel deals.

Proper search engine optimization and successful digital marketing campaigns will be among the key growth and development factors of Sample Company. Online marketing and promotional efforts will help the Company rank higher in search engine result pages, which will lead to an increased number of visitors and, consequently, customers.

Prior to the start of business operations, Sample Company will integrate the new offering as well as information about the Canadian company to the existing state-of-the-art website.

### 6.2.2 Social Media

An ever-expanding social media presence is beneficial in the modern business environment. This is why Sample Company will maintain professional pages on social media outlets, including Facebook, LinkedIn, and Twitter. The focus on social media will help the Company build awareness and credibility, and it will allow the Company to communicate directly with prospective customers and better understand their needs.

## 6.3 Competition

### 6.3.1 Basis of Competition

Competition in the Travel Agencies Industry in Canada has become largely price-based. That is, operators must offer customers the best price for domestic and international travel. The increasing number of travel websites has led to an increasing number of customers browsing to find the best price deal and booking with the best-priced agency. Online ticket price and booking services have increased consumer information on travel prices and have introduced more price-based competition to the industry.

However, there are some important nonprice elements in the competitive environment, particularly for business, conference and inexperienced travellers. These elements include the quality of service provided, having detailed knowledge of destinations and products, providing good recommendations to clients and being part of a chain or franchise. Franchised travel agents can take advantage of computer systems, office support and brand advertising. Location is also important, including having access to corporate clients, and word-of-mouth recommendations by friends and relatives. For some agencies, these elements may be more significant than price alone.

External competition to this industry results from direct online information, booking and reservation systems provided by accommodation and transport operators that enable travellers to book and pay over the internet. These transactions enable travellers to bypass travel agencies and wholesale services altogether.

### 6.3.2 Main Competitors

Due to the nature and scope of the business, Sample Company' main competitors in Canada are expected to be well-known travel booking websites in Canada, including:

- Company 1
- Company 2
- Company 3
- Company 4
- Company 5



- Company 6

In addition to industry-leading online travel booking websites, the Company will encounter a high level of competition from Canadian airlines that directly sell to customers such as Air Canada, as well as from alternative travel services companies like Airbnb.

Sample Company will distinguish from aforementioned companies by providing a more personalized approach, hiring the most courteous and dedicated staff, providing live 24/7 support, and offering competitive prices in the first two years of operations through its penetration pricing strategy.

## 6.4 SWOT

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Mr. Doe’s extensive experience in the Travel Agencies Industry and a Bachelor’s degree in Tourism</li> <li>• Competitive prices</li> <li>• Highly experienced staff</li> <li>• Broad range of travel services</li> <li>• Well-developed marketing strategy</li> <li>• One-stop solution</li> <li>• Dedicated live 24/7 support team</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• New business in the market (it will take some time for the Company to establish strong reputation and credibility)</li> <li>• High start-up marketing costs</li> <li>• High dependence on vendors</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Penetration pricing strategy can allow the Company to gain a considerable market share in the first two years of operations</li> <li>• Increasing demand for international travel</li> <li>• An economic turnaround can greatly impact the success of the Company</li> <li>• Hiring qualified personnel will increase the efficiency of the business</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Rising number of new industry participants will intensify the competition</li> <li>• Changes in consumer spending</li> <li>• Increasing efforts of direct booking by hotels and airlines</li> <li>• Increased presence of third-party operators like Airbnb</li> </ul>

## 6.5 Risk Management

Risks associated with Sample Company’ business will include demand, financial, human resource, and policy risks.

### Demand Risks

Demand for the Travel Agencies Industry is derived from both domestic and international visitors’ market. The key factors that have impact on the demand for industry services include:

- Changes in household income and consumer confidence
- Introduction of new airline technology that allows free and independent travel
- Technology changes that allow customers to bypass industry operators (e.g. Airbnb)
- Changes in business travel and economic activity such as attendance at seminars and conferences.

### Financial Risks

Under the management of Mr. Doe, Sample Company is expected to generate positive cash flows. Mr. Doe has well-established, long-term relationships with leading global travel vendors which will allow the Company have higher gross margins, and reach break-even point in every period.

### Human Resource Risks

Mr. Doe will be responsible for executive and managerial duties. The Company will comply with all labour laws in order to minimize employee turnover.

### Policy Risks

Sample Company will strictly follow all local, provincial, and government rules and regulations in order to minimize policy risks.

## 7. Governing Laws, Regulations, and Licensing

Travel agencies must comply with various laws and regulations relating to the Travel Agencies Industry in Canada and the provision of travel services, including registration in various provinces. Most of the laws travel agencies are subject to are enacted at the provincial level, meaning travel agents must comply with the relevant laws in the province in which they operate.

Travel agencies in Some Region are required to take a travel insurance exam by the Insurance Council of Some Region. Additionally, travel agencies are subject to consumer protection, data privacy and competition laws that are not specific to the travel industry. Considering this, the industry is subject to a light level of regulation.

Travel agencies in Some Region need to:<sup>5</sup>

- Register their business with the BC Corporate Registry
- Apply for license to sell travel through the Consumer Protection BC

## 8. Appendices

### 8.1 Appendix: Investment Breakdown

Mr. Doe will invest \$XXX,XXX to start business operations in Burnaby. All investments will be in the form of cash, without any loans from financial institutions.

Funds to be Invested:	
From Mr. Doe's Personal Account	\$XXX,XXX
<b>Total Investment</b>	<b>\$XXX,XXX</b>

According to IBISWorld, the Travel Agencies Industry in Canada has a low level of capital intensity. Since the industry is labour-intensive, Mr. Doe will invest the necessary funds into the business in order to employ highly skilled industry professionals, increase market share, and retain customers.

The investment will be used to support operational costs during the first year of operations, purchase of new equipment, and to support the Company's long-term business development, marketing, and advertising initiatives.

The table below shows the proposed use of proceeds:

Investment Item	Proposed Personal Investment (CAD)	Description and Rationale
New Equipment Purchase	\$XX,XXX	Distributed over the first two years; the following funds will be used to purchase office furniture and equipment
Vehicle	\$XX,XXX	Purchase of business vehicle
Legal and Professional Fees	\$X,XXX	Estimated legal, advise, and accounting fees for the first year of operations
New Marketing Costs	\$XX,XXX	Development of a complete marketing and advertisement strategy
<b>Investment Item Total</b>	<b>\$XXX,XXX</b>	

<sup>5</sup> Source: Host Agency Reviews: "Canadian Regulations for Travel Agencies in a Nutshell"

The table below shows eligible operating costs:

Operating Costs Item	Operating Costs per Month	Description and Rationale
Salaries	\$XX,XXX	Salaries and performance-based incentives for four employees: <ul style="list-style-type: none"> <li>• Operations Manager</li> <li>• Marketing Supervisor</li> <li>• Administrative Assistant</li> <li>• Reservations Consultant</li> </ul>
Salaries	\$X,XXX	Salaries for two additional employees (after 12 months): <ul style="list-style-type: none"> <li>• Ticketing Executive</li> <li>• Sales Supervisor</li> </ul>
Salaries	\$X,XXX	Salaries for two additional employees after 15 months: <ul style="list-style-type: none"> <li>• Ticketing Manager</li> <li>• Customer Service Agent</li> </ul>
Rent/Lease	\$X,XXX	Payment of the rented/leased office space
Utilities	\$XXX	Payment of utilities bills
Inventory	\$X,XXX	Payments for advance bookings and reservations
Other Expenses	\$X,XXX	Other business expenses: insurance, gas, mobile, meals and travel, and commissions
<b>Total Monthly Operating Cost</b>	<b>\$XX,XXX</b>	
<b>Eligible Total Operating Cost</b>	<b>\$XXX,XXX</b>	
<b>Total Investment</b>		<b>\$XXX,XXX</b>



## 8.2 Appendix 2: Pro-forma Financial Statements

### 8.2.1 Assumptions

#### General Assumptions:

- Based on Mr. Doe’s experience and extensive knowledge of online bookings, tourism, and travelling segments, the Company expects to generate sales of \$XXX,XXX in the first year of operations, increasing to \$X,XXX,XXX in the following year
- The average (customer) ticket price is expected to be \$XXX in the first two years of operations
- Based on Mr. Doe’s industry and market experience, and according to already developed sales and marketing plans, Sample Company is expected to have a total of X,XXX customers in Year 1, increasing to X,XXX customers in the following year

#### Company’s Cost Structure:

The chart below shows the latest cost structure of the Travel Agencies Industry in Canada. It shows the proportion of revenue each cost item absorbs, with the remainder representing profit. The comparison to all other industries in the sector provides a benchmark that shows how the industry differs from its peers.



#### Purchases:

According to IBISWorld, the average cost of procurement (purchases) in the Travel Agencies Industry in Canada is XX.X%. As shown in section 8.2.3 (Profit and Loss) of the Business Plan, Sample Company’ cost of purchases is expected to be slightly lower than industry averages (XX%), primarily due to Mr. Doe’s well-developed, long-term relationships with leading global travel agency suppliers.

#### Wages:

In 20XX, wages on average represented XX.X% of total revenue. Sample Company will be dedicated to providing exceptional customers service, and as a labour-intensive business, the Company’s wages are expected to exceed industry averages, representing XX.XX% of sales in Year 1 and XX.XX% of sales in Year 2 (including payroll taxes and benefits).

#### Rent and Utilities:

According to IBISWorld estimates, rent and utilities represented X.X% of total industry revenue in 20XX. As a new market entrant, Sample Company is expected to incur higher-than-industry-average rent and utilities expenses, representing X.XX% of revenue in Year 1, decreasing to industry average of X.X% in Year 2.



**Advertising and Marketing:**

This cost category accounted for X.X% of industry revenue in 20XX. Since Sample Company will invest \$XX,XXX in marketing and advertising prior to the start of business operations, it will not incur any additional expense in this category in Year 1. In Year 2, the Company's marketing expenses are expected to represent X.XX% of revenue.

**Depreciation:**

Depreciation is expected to represent X.XX% and X.XX% of Sample Company' revenue, marginally below the industry average of X.X%.

**Net Profit:**

According to IBISWorld estimates, the average profit margin in the Travel Agencies Industry in Canada is X.XX%. As a new market entrant, Sample Company is expected to have lower-than-industry-average profit margin in Year 1 (X.XX%), eventually surpassing industry averages in the following year (X.XX% profit margin in Year 2).

**8.2.2 Sales Forecast**

Sales Forecast	Year 1	Year 2
<b>Unit Sales</b>		
Number of Customers	X,XXX	X,XXX
<b>Total Unit Sales</b>	X,XXX	X,XXX
<b>Unit Prices</b>	Year 1	Year 2
Average Ticket Price	\$XXX.XX	\$XXX.XX
<b>Sales</b>		
Number of Customers	\$XXX,XXX	\$X,XXX,XXX
<b>Total Sales</b>	\$XXX,XXX	\$X,XXX,XXX
<b>Direct Unit Costs</b>	Year 1	Year 2
Procurement Cost	\$XXX.XX	\$X,XXX,XXX
<b>Direct Cost of Sales</b>		
Procurement Cost	\$XXX,XXX	\$X,XXX,XXX
<b>Subtotal Direct Cost of Sales</b>	\$XXX,XXX	\$X,XXX,XXX

**8.2.3 Profit and Loss**

Pro Forma Profit and Loss	Year 1	Year 2
<b>Sales</b>	\$XXX,XXX	\$X,XXX,XXX
Direct Cost of Sales	\$XXX.XX	\$X,XXX,XXX
<b>Total Cost of Sales</b>	\$XXX.XX	\$X,XXX,XXX
Gross Margin	\$XXX.XX	\$XXX.XX
Gross Margin %	XX%	XX%
<b>Operating Expenses</b>		
Payroll	\$XXX.XX	\$XXX.XX
Marketing*	\$X	\$XX,XXX
Depreciation	\$X,XXX	\$X,XXX
Rent	\$XX,XXX	\$XX,XXX
Utilities	\$3,000	\$3,150
Inventory Expenses (advance bookings and reservations)	\$XX,XXX	\$XX,XXX
Payroll Taxes	\$XX,XXX	\$XX,XXX
Other Expenses	\$X,XXX	\$X,XXX
<b>Total Operating Expenses</b>	\$XXX,XXX	\$XXX,XXX
Profit Before Interest and Taxes	\$XX,XXX	\$XXX.XX
EBITDA	\$XX,XXX	\$XXX.XX
Taxes Incurred	\$X,XXX	\$XX,XXX
<b>Net Profit</b>	\$XX,XXX	\$XX,XXX
<b>Net Profit/Sales</b>	X.XX%	X.XX%

\*As pointed out in section 8.1 of the Business Plan, Sample Company will invest \$XX,XXX for the development of a complete marketing and advertisement strategy prior to the start of business operations. Therefore, this expenses category is not present in the Profit and Loss statement in Year 1 but is rather incurred under the "Retained Earnings" on the Balance Sheet.

### 8.2.4 Balance Sheet

Pro Forma Balance Sheet	Year 1	Year 2
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Other Current Assets	\$XXX,XXX	\$XXX,XXX
<b>Total Current Assets</b>	\$XXX,XXX	\$XXX,XXX
<b>Long-term Assets</b>		
Long-term Assets	\$XX,XXX	\$XX,XXX
Accumulated Depreciation	\$X,XXX	\$X,XXX
<b>Total Long-term Assets</b>	\$XX,XXX	\$XX,XXX
<b>Total Assets</b>	\$XXX,XXX	\$XXX,XXX
<b>Capital</b>	<b>Year 1</b>	<b>Year 2</b>
Paid-in Capital	\$XXX,XXX	\$XXX,XXX
Retained Earnings	(\$XX,XXX)	(\$XX,XXX)
Earnings	\$XX,XXX	\$XX,XXX
<b>Total Capital</b>	\$XXX,XXX	\$XXX,XXX
<b>Net Worth</b>	\$XXX,XXX	\$XXX,XXX

### 8.3 Appendix 3: Resume

Mr. Doe is a highly successful entrepreneur with extensive experience in travel and tourism segments. He is a proud owner of four successful online travel agencies; two based in the U.S. and two based in Some Country.

#### Education:

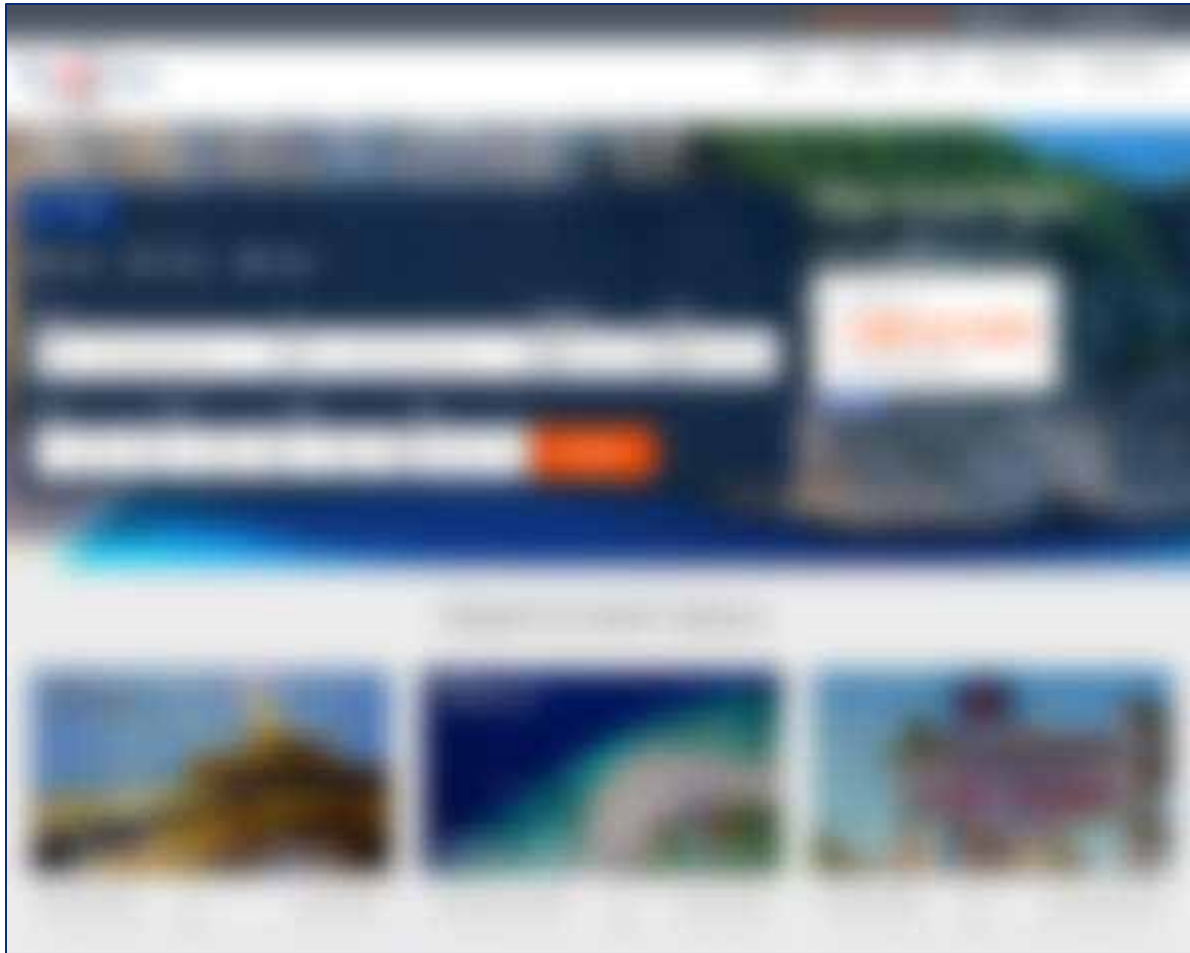
- Secondary School Certificate, Some School, Some City, Some Country, 19XX
- Senior School Certificate, Some School, Some City, Some Country, 20XX
- Bachelor's degree in Tourism, Some College, Some City, Some Country, 20XX

#### Professional Experience:

- Senior Travel Consultant at Some Company, Some City, Some Country (20XX – 20XX)
- Senior Manager at Some Company, Some City, Some Country (20XX – 20XX)
- Proprietor and Director at Some Company, Some City, Some Country (20XX – 20XX)
- Director and Owner at Some Company, Some City, Some Country (20XX – 20XX)
- Director and Owner at Some Company, Some City, Some Country (20XX – 20XX)
- Director and owner at Some Company, Some City, Some Country (20XX – 20XX)

### 8.4 Appendix 4: Existing Websites

Mr. Doe has successfully established various companies as shown in the previous section. These companies are promoted through their own websites, including the websites: [www.company1.com](http://www.company1.com), [www.company2.com](http://www.company2.com), and [www.Sample Company.com](http://www.Sample Company.com)



## 8.5 Appendix 5: Other Documentation

### 8.5.1 Cost Analysis

The Company's objectives include:

- Keeping direct cost (cost of procurement) at or below 70%
- Keeping employees' wages and benefits at or below 25%
- Keeping annual marketing and advertising expenses at or below 2%, in order to generate new sales and retain existing customers

### 8.5.2 Break-even Analysis

Break-even Analysis	
Daily Revenue Break-even	\$X,XXX
Monthly Revenue Break-even	\$XX,XXX
Annual Revenue Break Even	\$XXX,XXX
<b>Assumptions:</b>	
Estimated Daily Fixed Cost	\$XXX
Estimated Monthly Fixed Cost	\$XX,XXX
Estimated Annual Fixed Cost	\$XXX,XXX

8.5.3 Return on Investment

Return on Investment	Year 1	Year 2
Paid-in Capital	\$XXX,XXX	\$XXX,XXX
Net Profit	\$XX,XXX	\$XX,XXX
ROI	X.XX%	XX.XX%

8.6 The Company’s Impact on the Canadian Economy

Sample Company will make an impact on the Canadian economy:

- The Company will hire eight (X) Canadian employees over the next XX months
- The Company will attract a large number of international travellers to Canada, whose spending will support the local economies
- The Company is expected to pay a total of \$XX,XXX in taxes over the next two years, increasing from \$XX,XXX in Year 1 to \$XX,XXX in Year 2

